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INTERNATIONAL

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Decriminalization of Possession of Ounce

Carter Seeks Shift on Marijuana

WASHINGTON, Aug. 2 (AP).—President Carter today called for the elimination of federal criminal penalties for the possession of up to an ounce of marijuana.

But the President said in a message to Congress and an accompanying "fact sheet" that trafficking in marijuana should remain "a serious, federal criminal offense."

He called for tougher enforcement of federal laws regulating narcotics and ordered Attorney General Griffin Bell to intensify investigations of links between organized crime and drug traffic.

But, in a section dealing with marijuana, the President said:

"Penalties against possession of a drug should not be more damaging to an individual than the use of the drug itself; and where they are, they should be changed."

He said it was time to implement the recommendations of the National Commission on Marijuana and Drug Abuse, which concluded five years ago that marijuana use should be decriminalized.

"Therefore, I support legislation amending federal law to eliminate all federal criminal penalties for

the possession of up to one ounce of marijuana," he said.

The present federal penalty for possessing any marijuana is a maximum fine of \$5,000 and a prison sentence of up to a year.

Mr. Carter asked the Justice Department to study, with the State and Treasury Departments, the possibility of revoking passports of known major drug dealers and freezing the assets they have accumulated in illegal trading.

To Look at Penalties

He asked Mr. Bell to look into proposals that would deny pretrial release to certain persons charged with drug dealing. He also asked Mr. Bell to look into the adequacy of existing penalties for marijuana offenses.

The President called for improved effectiveness of federal drug treatment programs, stating that they have been too narrow in conception and practice.

He directed Joseph Califano Jr., the secretary of health, education and welfare, to study the possibility of consolidating drug research in the Federal Addiction Research Center and urged special attention to the study of barbiturates.

In cooperation with state officials, Mr. Carter said, the attorney general should intensify efforts to prosecute physicians who knowingly overprescribe drugs, including barbiturates.

Mr. Carter, whose three sons say they have tried marijuana, said the drug "continues to be an emotional and controversial issue."

"After four decades, efforts to discourage its use with stringent laws have still not been successful," the President said. "More than 45 million Americans have tried marijuana and an estimated 11 million are regular users. . . . We can, and should, continue to discourage the use of marijuana, but this can be done without defining the smoker as a criminal."

Decriminalization is not legalization. It means only that the federal penalty for possession would be reduced and a person would receive a fine rather than a criminal penalty. Federal penalties for trafficking would remain in force and the states would remain free to adopt whatever laws they wish concerning the marijuana smoker.

The CIA's Bizarre 25-Year Project on Mind Control

A Grope Into a World Where Ideas Ran Wild

The following article is one of two prepared by an investigative reporting team consisting of John M. Crewdson, Nicholas M. Horrocks, Boyce Rensberger, Jo Thomas and Joseph B. Treaster. It was written by Nicholas M. Horrocks.

WASHINGTON, Aug. 2 (NYT).—Several prominent medical research institutions and government hospitals in the United States and Canada were drawn into a secret, 25-year, \$25-million effort by the CIA to learn how to control the human mind.

The existence of the agency's investigations into behavior and thought control was previously known. But through access to 2,000 CIA documents and wide-ranging interviews, a group of New York Times reporters has developed new information about the program.

The original research was spurred by the conviction—later proved unfounded—that the Russians and Chinese had developed brainwashing and mind-control devices. But the CIA quickly turned to seeking an offensive use for behavior control. It sought to crack the mental defenses of enemy agents—to be able to program them and its own operatives to carry out any mission, even against their will, and "against such fundamental laws of nature as self-preservation."

It channeled funds through three private medical research foundations. One of these, the Geschickter Foundation for Medical Research in Washington, is still active. Another, the Society for the Investigation of Human Ecology Inc., was disbanded in 1965. A third named in one report was the Josiah Macy Jr.

Foundation, also active, but Dr. John Bowers, director of the foundation, said there was no indication it had been a conduit for CIA funding.

Access to Millions

The CIA also paid for experiments under the guise of contracts issued by other government agencies and had access to millions of dollars in behavioral control experiments conducted by the armed services.

By the early 1960s, the CIA had grown uncomfortable about the experiments. A 1967 report by the inspector-general noted that the Chemical Division "had added difficulty in obtaining expert services and facilities to conduct tests and experiments. Some of the activities are considered to be professionally unethical and in some instances border on the illegal," the report said.



The agency officials were also worried that the reputations of the scientists it contracted with were "in jeopardy."

Moreover, the agency appears never to have found the secret of mind control, and the documents now public indicate that it had little success with interrogations using drugs and hypnosis.

Network Assembled

What emerged from extensive interviews with present and former intelligence officers, medical researchers and others was the fact that despite professional misgivings on the part of some medical researchers, the CIA was able to assemble an extensive network of nongovernmental scientists and facilities—apparently without the knowledge of the institutions where the facilities were situated.

espionage agents in such a way that neither the agents nor their superiors would know they had been compromised, and they wanted to be able to wipe clean the memories of their own agents after certain missions and, especially, when they were going into retirement.

They were interested in simple destruction, too. As with the other business that made amnesia so attractive, they wanted to be able to get away with murder without leaving a trace.

One apparent medical or scientific expert, whose identity has been deleted from the documents, suggested that the agency might kill a man by putting him in a small, air-tight room with a chunk of dry ice, giving off suffocating carbon dioxide gas.

Most of the ideas the CIA considered never got off the drawing board. For a few years in the early 1950s, though, the agency had one or two "special interrogation" teams that went on operational missions in Europe and Asia,

mental patients and staff members of the Butler Memorial Hospital in Providence, R.I.

The society, although largely controlled by the CIA, was set up under the direction of Dr. Harold Wolff, a prominent psychiatrist and leading authority on pain, and gave the appearance of being associated with the Cornell University Medical Center. The society also asked Dr. Wolff and an associate to collect the information about "brainwashing."

In 1962, a CIA doctor, Manfred Gurn, approached Dr. Robert Heath, chairman of the Tulane University Department of Psychiatry and Neurology, a bio-psychiatrist who had explored what is described as the pleasure center of the human brain. Dr. Gurn asked Dr. Heath if he would be interested in exploring the "pain center" of the brain. Dr. Heath refused, he said in a recent interview, calling the request "abhorrent."

Adm. Stansfield Turner, the CIA director, announced two weeks ago that seven cases of records containing some 5,000 pages of documents pertaining to these projects had been discovered in the agency's archives. He said they had been overlooked in 1975 and 1976.

He will testify on the contents of these newly discovered records before a joint hearing of the Senate Select Committee on Intelligence and the Senate Subcommittee on Health today. He is expected to disclose that the CIA paid for tests of a "knock-out" drug on unwitting terminal cancer patients.

He is also expected to give details of an incident in which an improper, and some sources said illegal, payment was made to a medical institution for research.

The CIA, meanwhile, has made (Continued on Page 2, Col. 4)

As Preliminary to Geneva Talks

Arab-Israeli 'Working Group' In U.S. Urged by Vance, Sadat

By Bernard Gwertzman

ALEXANDRIA, Egypt, Aug. 2 (NYT).—Secretary of State Cyrus Vance, acknowledging that a Geneva conference could not be convened now, said tonight that he had accepted an Egyptian idea and would try to call together Arab and Israeli foreign ministers in New York and Washington in "a working group" to prepare the way for an eventual Geneva Middle East peace conference.

Unable to resolve the major obstacle to Geneva—that of the participation of the Palestine Liberation Organization—Mr. Vance and President Anwar Sadat of Egypt, at a televised press conference, sought to put the best face on what was a fallback position if a Geneva summit could not evolve from Mr. Vance's current Middle East mission.

As explained by Mr. Vance, he will try, in the remainder of his trip, to persuade Syria, Jordan and Israel to join Egypt in the "working group" and to meet under his auspices in Washington and New York starting in mid-September.

Likewise, when asked if the Soviet Union would be invited since it is a co-chairman with the United States of the Geneva conference, Mr. Vance said he would have to discuss it with Foreign Minister Andrei Gromyko when they meet in Vienna early next month. Mr. Vance said the "working group" would discuss both substantive as well as procedural problems and could continue its work "as long as it's useful."

Mr. Sadat, who has been the most flexible of the Arab leaders in seeking a Geneva conference, said that "there has been no opportunity in the last 30 years more agreeable than now to establish peace in the area."

He said he had some differences with Mr. Vance, but "the fact remains that both of us are seeking peace built on justice."

Views of Begin

Asked about the views of Prime Minister Menachem Begin of Israel, Mr. Sadat surprised his audience by saying "to be frank there are some positive elements, but also negative elements and we should work all of us to bring the whole thing together."

This was far from the usual attack on Mr. Begin in the Arab press. Mr. Sadat also said twice that "I've said I'm willing to sign a peace agreement with Israel tomorrow."

Prior to Mr. Vance's arrival here yesterday, Mr. Sadat had said he had "alternatives" in mind for dealing with PLO representation, given Israel's refusal as an original Geneva participant, to allow the PLO to take part.

Negative Elements

But in the press conference, Mr. Sadat, when asked what the "alternatives" were, replied that he had received the PLO message sent by its leader Yasser Arafat reminding him that at Rabat in 1974, all Arab states agreed that the PLO was the only legitimate representative of the Palestinians. Ascertaining that there were "negative elements" in the PLO statement, Mr. Sadat said he had to be "discreet" and he avoided discussing alternatives.

U.S. officials afterward insisted that the "working group" was suggested by Mr. Sadat only in these two days of talks and they did not know if it would be accepted by the other parties, with Syria in particular a question mark given its ties to the PLO.

The press conference, at the end of about 5 hours of talks between Mr. Vance and Mr. Sadat, was given the widest possible publicity on Egypt's television.

Reporters were surprised when Mr. Sadat, in the course of what seemed a routine opening statement, said "I've asked Secretary Vance to form this working group" that he said he had first proposed to Mr. Carter in April.

Mr. Sadat said the group's purpose would be to ensure that preparations for a Geneva conference would be "fruitful and effective in bringing about a peaceful settlement."

N. Korea 'Military Sea' Zone Is Tested by Ship From South

SEOUL, Aug. 2 (AP).—A South Korean ship carrying 465 passengers today reached a South Korean-held island off North Korea without interference in the first test of North Korea's new "military sea boundary," a radio message said.

The radio said the 450-ton Ongjin-Ho, escorted by South Korean naval vessels, docked at the island of Paengyo-do after an 11-hour voyage from the port of Incheon near Seoul.

The island is within 10 miles of North Korea's west coast and apparently falls inside the newly announced military zone.

Pyeongyang said yesterday that civilians as well as military crafts were barred from entering the zone without permission.

The area was defined as extending "50 miles from the start-

ing line of the territorial waters in the East Sea (Sea of Japan) and to the boundary line of the economic sea zone in the West Sea (Yellow Sea)."

The North Korean economic zone, announced recently and effective yesterday, generally extends 200 miles from shore but is narrower in the Yellow Sea because of the proximity of China. How far the zone extends into the Yellow Sea is not certain, but observers estimated it at about 50 miles.

Declaration of the economic zone means North Korea claims control of fishing, mining and other economic activities within the area.

The U.S.-led United Nations Command here rejected North Korea's unilateral establishment of the offshore boundary.

Further Work

Mr. Vance said "I very much welcome the excellent suggestion which President Sadat has made to call together in a working group the parties to sit down and try and develop the further work that is required."

"I'll be talking to the other parties about the implementation of this suggestion and I would hope it may be possible to assemble this working group in the United States around mid-September," Mr. Vance said.

Such an accord, he said, implied "automatic recognition" of Israel. But he also insisted that for such an agreement, Israel had to withdraw from all the land occupied in the 1967 war.

Mr. Sadat seemed angered by questions implying that Egypt should extend formal diplomatic and trade relations—that Mr. Carter calls "real peace"—to Israel as part of an agreement. He repeated the view that such steps should follow an agreement and not be part of it since they were matters of "sovereignty" and could not be imposed on Egypt.

2 Purged Officials Said Back in Peking

HONG KONG, Aug. 2 (AP).—Two purged high-ranking Chinese officials attended a reception in Peking's Great Hall of the People yesterday, commemorating the 50th anniversary of the founding of the People's Liberation Army, a Hong Kong Communist newspaper reported today.

Quoting an official Chinese news agency report from Peking, the Chinese-language New Evening Post identified the two as Huang Kesheng, former army's deputy chief of staff, and Sung Jen-ching, first secretary of the Northeast Bureau. Mr. Huang was fired in 1959 for being involved in the late Marshal Peng De-huai's anti-party activities, while Mr. Sung disappeared during the cultural revolution.

U.K. to Pump \$950 Million Into N. Ireland

Mason Hopes to Save Shattered Economy

LONDON, Aug. 2 (AP)—The British government has announced a \$950-million (\$1.6-billion) plan to boost Northern Ireland's economy and ease tension in the province.

But Northern Ireland Secretary Roy Mason warned when he outlined the proposals yesterday that it contained no miracle cures.

"There will be no easy pickings," he stressed. "But I believe the changes will give Northern Ireland a better opportunity than it has had for some considerable time."

The package is a major effort by Prime Minister James Callaghan's Labor government, battling Britain's gravest economic crisis since World War II, to ward off disaster in the province ravaged by sectarian warfare and insurrection for eight years.

Based on Report

The decision to make Ulster's economic revival high priority was based on a government-commissioned report in November that warned that unless decisive measures were taken the economy would be near collapse by 1979 with unemployment reaching 18 per cent.

The government announced unemployment last month in the province was 70,000, or 13 per cent of the work force. That's nearly double the overall British level and the worst Ulster total since World War II.

Mr. Mason also announced a campaign by his office to seek foreign investment in the province where 75 companies have closed down in recent years.

He and his minister responsible for industry, Don Conannon, plan to tour the United States, Scandinavia and Japan in the next few months drumming up investment.

But the package failed to offer tax holidays for investors. The neighboring Irish Republic has attracted dozens of big investors with such concessions in the last couple of years—capital that many economists and union leaders believe would have gone to Northern Ireland if it had offered the same deal.

Freak Storms Subside Over Europe Area

BONN, Aug. 2 (UPI)—Central Europe today was digging out of the rubble left by freak summer storms, while rivers swollen nearly to flood level started to recede in an indication that the worst probably is over.

Torrential rains on Sunday and yesterday throughout the Alpine regions—both stretching as far as the plains of Poland—caused flooding and landslides.

The storms claimed at least one life, that of a teen-aged West German girl rowing along a river in a rubber boat when rains slashed down on her.

The Danube River, which had risen by between two and six meters yesterday to threaten Vienna, began declining today.

In Bavaria, Garmisch-Partenkirchen and towns in the Berchtesgaden area began cleaning up the mud deposited by landslides yesterday.

The sun reappeared over the Swiss Alps, allowing workers to reopen the Saint Gotthard Pass, the main route for northern Europeans going to Italy on vacation. Landslides on either side of the pass had closed it, with traffic diverted over the San Bernardino and the Lukmanier Passes.

About 10 per cent of the annual average rainfall fell over the weekend in the Beskid Mountains in southern Poland along the Czechoslovak border, the Polish news agency Rap said.

In Italy, fair weather followed three days of unseasonal rainstorms that forced several rivers, including the Gorgoglio and Seveso streams near Milan, to overflow their banks.

Snow fell at the 2,000-meter level in the Aosta-Mont Blanc area of the northern Alps, three months earlier than normal.

In Taiwan, the toll from Typhoon Vera reached 38, police said today.

Police said a landslide near Taipei killed eight members of two families. The accident was not known to the police until today.

Violence in Turkey
ISTANBUL, Aug. 2 (Reuters)—Two rightists were shot dead in Istanbul and three cities were hit by bomb blasts in overnight violence after Turkey's rightist coalition government won a confidence vote yesterday, police said.



COMEBACK CAMPAIGN—Former Pakistan Prime Minister Zulfikar Ali Bhutto, center, waving from train door as he receives a rousing welcome in Karachi Monday on his first appearance in region since his release from detention. He was ousted in a bloodless coup by the military on July 5; national elections are scheduled for Oct. 18.

Sheikhs, Officials, Cairenes Crowded City in Summer

Vance Visit Adds to Crush in Alexandria

By Marvinne Howe

ALEXANDRIA, Egypt, Aug. 2 (NYT)—Most Alexandrians know "the American" has come to town, and although they are not very sure of his name, they believe this time it is serious and that the United States is ready to finish off the Middle East peace business—inshallah, God willing.

The general public will not see much of Secretary of State Cyrus Vance and President Anwar Sadat, who began talks yesterday in the tightly guarded presidential compound of Mamura at the east end of the city.

Nevertheless, Mr. Vance's visit to Egypt has added to this resort city's congestion at the peak of the season. The U.S. Embassy took over three floors, about 120 rooms, at the luxurious Palestine Hotel in the Muntazah Palace grounds, which belonged to Farouk when he was king and have been turned into a public park.

The Palestine has farmed out its regular guests to three first-class hotels that in turn are seeking to transfer their surplus to lesser establishments.

Some of the Arab oil sheikhs at the Palestine were furious over the affront. A Bahraini was seen trying to stay on by offering the management a handful of Egyptian pounds—to no avail. Some local reporters found no lodgings and covered the conferences from Cairo, 135 miles away.

This part-time capital has had a busy time of it this summer. The Libyan-Egyptian border clashes a fortnight ago brought a flow of mediators to town from President Houari Boumedienne of Algeria, to Palestine Liberation Organization leader Yasser Arafat, to the President of Togo, to the foreign ministers of Kuwait and Syria and others.

Alexandrians are inclined to blame most of their problems on Libya and its revolutionary leader, Col. Moamer Qadhafi, including the bomb explosion in a train here that killed eight and wounded 66, a bomb in a hotel a few months ago, and other mysterious acts of sabotage.

People here generally approve of the Egyptian strikes against Libya and its revolutionary leader, Col. Moamer Qadhafi, including the bomb explosion in a train here that killed eight and wounded 66, a bomb in a hotel a few months ago, and other mysterious acts of sabotage.

Summer Business
President Sadat carries on most summertime business in his Mamura villa or at Ras El-Tin palace on the other side of town. This means a steady shuttle of government ministers, businessmen and foreign visitors from the capital.

The late President Gamal Abdel Nasser refused to make this city a summer capital, remembering perhaps that he and his fellow officers had been able to pull off their coup d'état in July, 1952, in Cairo while King Farouk and his court were in Alexandria.

The house here where Nasser was born was supposed to have been turned into a museum some time ago. But it does not have regular visiting hours, and there is no sign to identify it although most persons know where it is.

"Some people try to forget Nasser," a neighbor remarked, refusing to comment on the present regime's criticism of the popular leftist leader, who died in 1970.

Most persons here are more concerned with having fun than rehabilitating Cairo politics. Cairenes come here for the weather—it is

humid but cooler than stifling Cairo—the relaxation and the 40 miles of beaches.

It is generally said that Alexandria is a city of 3 million inhabitants, with an invasion of 2 million more summer holidaymakers. "We could shoot them down, these conquerors from Cairo," a local newspaperman said of the family and friends who descend on him each year at this time.

The city is now fighting its annual water problems, bread shortages, and housing crisis. Some families camp on the beach until they can find an apartment.

Natives blame the Arabs from oil-producing countries for the housing problem and rocketing cost of living. There has been a rush of Arabs from the Gulf and Saudi Arabia who spent their vacations in Beirut before the civil war. They readily offer \$1,000 to \$1,500 for a two-room or three-room apartment for a month, prices most Egyptians cannot afford.

Tawfiq el-Hakim, one of Egypt's most prominent modern philosophers and novelists, now in his 80s, comes to Alexandria for three months during the summer, and his friends, disciples and admirers come from all over the Arab world to talk with him.

"Alexandria has changed—the old style, the country's soul is being demolished," the writer said, regretfully. "The architects find it difficult to adapt beauty to modern needs. They look for what's useful and build big buildings, which I suppose are a necessary evil."

Spain Legalizes 2 More Parties, Both Republican
MADRID, Aug. 2 (UPI)—The government legalized two political parties today that openly advocate restoration of the Spanish republic.

The parties are the Spanish Democratic Republican Action party, ARDE, and the Republican Left of Catalonia, ERC. Both favor the abolition of the monarchy and a return to the republican system that governed Spain before the 1936-39 Civil War.

ARDE is a new party while the ERC was founded in 1931. It played an important role in pre-civil war Catalonia, at one time holding a third of the posts in the Catalan regional government.

In the June 15 general election, the ERC's leader, Enric Barria, was elected to the Congress of Deputies on an independent ticket.

While legalizing the two republican parties, the Interior Ministry rejected an application for legal status by the Catalan anarchists. Last month, the government legalized two Maoist parties, the Revolutionary Workers' Organization and the Spanish Workers party. The Communist party was legalized in April and the Socialist party in February.

2 E. Germans Die In Escape Effort
BERLIN, Aug. 2 (AP)—Two East Germans were killed and at least eight were arrested in three separate attempts to cross into West Germany and West Berlin within 24 hours, police said today.

The two killed were fired on last night by East German guards at the Bavarian border crossing of Hirschberg. They had tried to smash through the border with a truck.

On the Bavarian border near Hof, two youths were captured after they were discovered hiding in a train going from Dresden, East Germany, to Stuttgart, West Germany, police said. West Berlin police said that six men had tried to escape yesterday from a train approaching East Berlin by pulling the emergency brake on a stretch near West Berlin.

Albania Reports Friendliness in China Contacts
VIENNA, Aug. 2 (AP)—Albanian and Chinese officials toasted the friendship between their countries at a reception in the Albanian capital city, Tirane, yesterday, the official Albanian news agency reported today.

It said the reception was held in the Chinese Embassy in Tirane on the 50th anniversary of the Chinese People's Liberation Army.

The news agency also reported that in Peking yesterday, a dinner was held in honor of a visiting Albanian agricultural delegation "which took place in a friendly atmosphere."

The two reports followed news stories in the West of a strain in Chinese-Albanian relations. The newest reports might be an indirect reply, observers here said. Albania is China's only ally in Europe.

Jakarta Bus Protest
JAKARTA, Aug. 2 (AP)—Fifty-two university students were arrested yesterday on charges of attempting to paralyze the city's bus system. About 200 students rushed to 13 bus pools in the city early today and blocked the buses from beginning their routes for about two hours. Students were protesting increased bus fares.

Kaunda Fires Aide, Suspends Top Official
LUSAKA, Zambia, Aug. 2 (AP)—President Kenneth Kaunda today fired Home Affairs Minister Aaron Milner and suspended a member of the powerful Central Committee of his ruling party for alleged corrupt practices.

Mr. Kaunda said in a statement that Central Committee member Ananias Chongo was suspended while investigations were made into the operation of two fishery corporations owned and run by UNIP, the only political movement allowed in this one-party state. Mr. Chongo is chairman of both corporations, Lake Fisheries of Zambia Ltd. and Spoelac Fishing enterprises.

Senators Report
WASHINGTON, Aug. 2 (AP)—Senate investigators acknowledged in private interviews that without three names it was near-

Thais Report Cambodian Forces Slay 28 Near Bord

ARANYAPRATHET, Thailand, Aug. 2 (AP)—Cambodian troops attacked the border area of Thailand early today, killing at least 28 persons, including women and children, and setting houses afire in the latest outbreak of violence along the Thai-Cambodian border, the Thai Supreme Military Command said.

Thai officers in this border town said the Cambodian raiders stabbed some of the children to death with bayonets. Witnesses said villagers were gunned down while escaping from their burning homes.

About 500 Thai Army troops and border policemen were reported moving from here to the two villages—Chalor Changan and Sangae—attacked by the Cambodians. The Supreme Military Command in Bangkok said most of the raiding force had slipped back into Cambodia.

All Thai military forces in this key frontier town were placed on alert.

Some Cambodian patrols, however, were still in the area, about 150 miles east of Bangkok and 33 miles north of here, and the Thai military reported that Cambodians had reinforced their troops along a stretch of the border.

Speculation on the motive for the attacks ranged from disputes over the border area to the Cambodian government's intention to divert public attention from Cambodian internal problems. Interior Minister Samak Sundaravej said during a radio and television broadcast that the Cambodians and local Thai Communists may have co-

Two Villages Raided in Disputed Area

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operated in the attack. "It wasn't an invasion of our territory. They (Cambodians) were in our territory, they killed and captured," he said.

The border clashes going on for years month 25 Thais were have been slain by a Foreign Minister created that Thaila ficially protest, the a bodia and Thailan months have ex sharp worsening of

Some Cambodian patrols, however, were still in the area, about 150 miles east of Bangkok and 33 miles north of here, and the Thai military reported that Cambodians had reinforced their troops along a stretch of the border.

Speculation on the motive for the attacks ranged from disputes over the border area to the Cambodian government's intention to divert public attention from Cambodian internal problems. Interior Minister Samak Sundaravej said during a radio and television broadcast that the Cambodians and local Thai Communists may have co-

operated in the attack. "It wasn't an invasion of our territory. They (Cambodians) were in our territory, they killed and captured," he said.

The border clashes going on for years month 25 Thais were have been slain by a Foreign Minister created that Thaila ficially protest, the a bodia and Thailan months have ex sharp worsening of

West Is Said Divided on Belgrade

From Five Dispatches
BELGRADE, Aug. 2—West Germany, splitting with its European partners, appears willing to accept a compromise with the Soviet bloc over crucial arrangements for a European security conference this autumn, some senior Western diplomats said last night.

A neutral diplomat said: "West Germany has virtually sold out the West's bargaining strength for purely national reasons. It seems more interested in getting ethnic Germans out of Eastern bloc countries than looking at the broader aspect of human rights."

West Germany is urging an early compromise with Soviet demands on the meeting's agenda, according to the diplomats.

West German delegates officially denied the reports. But one said, "We have run up against some last-minute differences."

In Bonn, a West German government spokesman declined to comment on the charges.

Cutoff Date Opposed
British and U.S. delegates said that they were determined to hold out against the Soviet demands for a cutoff date fixing the end of the conference in advance.

The question of a cutoff date is the only remaining point of dispute in the agenda. The Soviet Union, apparently fearing endless debate on its human-rights record, has insisted on a Feb. 15 deadline for the talks. Western countries have maintained that the meeting cannot end until all 35 delegations agree on a final report.

Western delegates minimized the importance of the split in their ranks. "It's largely a matter of tactics," one said. He added that Britain and the United States were also willing to compromise, "but we haven't reached the right kind of compromise yet."

Human rights is a key issue of East-West dispute at the preparatory meeting in Belgrade aimed at drawing up the framework for the main 35-state conference.

Powers Appears To Have Avoided Crashing on Boys
LOS ANGELES, Aug. 2 (AP)—A police official said today that former U-2 spy pilot Francis Gary Powers, killed while piloting a TV news helicopter yesterday, may have run out of gas and then purposely plunged his craft into the ground to avoid hitting boys playing softball.

A policeman said it appeared Mr. Powers, 47, decided to crash rather than take a chance on hitting the boys while trying to glide to a landing after running out of fuel. The accident also claimed the life of a cameraman, George Spears, 43.

"His flight direction was directly in line with the field where the boys were playing," the policeman said. "He fell down about 50 yards from where the boys were. We found no evidence of fuel on board, and the craft didn't burn. So from all appearances it would seem he ran out of gas. That's the unforgivable pilot error."

Brief Tass Report
MOSCOW, Aug. 2 (Reuters)—The death of Mr. Powers, whose name is known to millions here, was reported in a single sentence today by Tass.

"Francis Gary Powers, former CIA pilot, who in 1960 carried out an intelligence flight over the territory of the U.S.S.R. in a U-2 spy plane and was shot down by Soviet anti-aircraft defense units, was killed on Monday in a helicopter crash near the city of Los Angeles," Tass said.

20 Killed in Ecuador
QUITO, Aug. 2 (Reuters)—At least 20 people were killed and 40 injured yesterday when a bus plunged into a canyon in central Ecuador about 110 miles northeast of Guayaquil, police said.



ON THE MARCH—Thai troops set out on a patrol near the village of 140 miles east of Bangkok, near the border with Cambodia. Thai army reinforced units in the region as clashes between Thai and Cambodian for

U.S. Accused of Psychological Warfare

Yugoslavs Told Not to Fear Neutron

By Malcolm W. Browne

BELGRADE, Aug. 2 (NYT)—Yugoslavia's leaders are warning their people against being awed by the U.S. neutron bomb, saying that Vietnam proved there are no weapons which will bring a freedom-fighting people to its knees.

The warnings were in the latest issue of the Yugoslav Communist party organ Komunist, and earlier in the official army newspaper, Narodna Armija (People's Army). They are the most explicit public statements in some time that Belgrade, which describes its policies as "nonaligned," regards the United States as a potential military enemy.

The official Yugoslav position on the U.S. neutron bomb is that the weapon is not only aimed at the Soviet bloc but is an instrument of psychological warfare already being directed at relatively small states, such as Yugoslavia.

The Yugoslav press generally has adopted much the same denunciations as that of the Russians in reporting President Carter's decision to proceed with the bomb. But Narodna Armija and Komunist have carried the general criticism much farther.

"Designed to frighten" "It [the neutron bomb] is designed to frighten the opposing military camps," Narodna Armija said, "and discourage small countries which do not belong to any bloc, convincing them that in case of war they would have no chance of defending themselves alone. In other words: Do not waste time and money strengthening your own armed forces, but join one of the military blocs before it is too late."

Yugoslavs must not succumb to such "defeatist" feelings, the official newspaper said.

Portugal Regime Bars Reds' Call For New Vote
LISBON, Aug. 2 (AP)—The Socialist minority government reacted angrily today to demands by Communist party leader Alvaro Cunhal that it resign and call new elections.

Chief government spokesman Manuel Alegre told the Socialist daily Diario de Noticias that yesterday's Communists' demand was favorable to a rightist coup by creating "an artificial political crisis and new instability."

"Seeing that it is impossible to carry out a military coup in the present conditions, the Communist party's secretary-general is trying a constitutional coup," Mr. Alegre said.

The two major rightist opposition parties rejected the demand for elections and emphasized their desire for a "close dialogue" with the Socialists. A spokesman for the right-of-center Social Democratic party, the second-largest party, which has helped the government pass crucial legislation considered unfavorable to the Communists in recent weeks, said the demand "betrayed the despair of a handful of Stalinists."

Fires Threaten Alaskan Villages
ANCHORAGE, Alaska, Aug. 2 (AP)—Range and timber fires that have burned nearly 1,500 square miles of land threatened Alaskan villages yesterday, but fire fighters in Matine, California, and the state of Washington said that they had contained most of the forest fires in their states.

In Alaska, the federal Bureau of Land Management said that it had almost 900 men and 70 aircraft fighting 33 of 55 fires in the central and northern parts of the state.

The BLM said that about 950,000 acres were in flames. Fire fighters were concentrating on areas near towns, officials said. About a dozen villages and mining areas were threatened, but most of the danger was at Buckland and Shungnak.

Washington
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Rome Transit
ROME, Aug. 2 (AP)—A street car is doubled yesterday, a flat-rate charge cents) for one jour (11 cents).

Next: A network of researchers,

South African Police C Intelligence Agents in

JOHANNESBURG, Aug. 2 (Reuters)—An agent from South Africa's intelligence service, the Bureau for State Security, opened fire when he came under attack in the troubled black township of Soweto today, police said.

Some reports said that a youth was wounded in the shooting and a police spokesman said that this was possible. The spokesman also said that police had used tear gas to break up crowds of youths throwing stones.

The police statements today were the first public confirmation that agents from BOSS, which mainly operates abroad, were in Soweto, the township which has been the center of

Both Soweto's Brig. Jan Visser, Brig. Jan Gerber, the man involved in the shooting, was white, name him.

Local newspaper that a H. G. J. nesburg had told was forced to op group of youths outside Orlando

The Star said was hospitalized wound after the Brig. Gerber a black youth was police fired bi Merafe area of during an attempt

He added that blacks were hospit bites after police on a crowd of 1 stones. About 1 arrested, he add

The youths South Africa's se tional system.

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The CIA's Bizarre Project on Mind Control

(Continued from Page 1)

available to the Senate committees and is expected to make public most of the newly discovered batch of papers. As of 1975, however, the agency has deleted the names of the actual medical researchers and the institutions that performed the experiments.

Senate investigators acknowledged in private interviews that without three names it was near-

ly impossible to determine the extent of the testing, the numbers of Americans or other nationalities involved, whether the tests had resulted in death or permanent impairment and whether the rights of physical and mental health of the subjects had been considered.

At the time, the international standard for medical experimentation on humans had been set at the Nuremberg Trials for Nazi war criminals. It was adopted

by the U.S. government in 1953. It said that medical experiments should be for the good of mankind and that a person must give full and informed consent before being used as a subject.

The CIA's interest in behavioral control was organized in 1949 under the code name Bluebird, later changed to Artichoke. The agency's projects grew out of a concern among Western powers that the Soviet bloc had achieved the ability to control

men's minds through drugs or brainwashing, then a mysterious and little-understood technique.

It was, apparently, a defensive program at the outset, in which the agency sought a way to insulate its agents from brainwashing attempts. But by the early 1950s, the objectives had shifted, and the programs' goals became offensive.

Next: A network of researchers,

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Held Unaware of Acts with Korea Agents in U.S.

By Robert L. Jackson

ON Aug. 2—South Korean agents in the United States, according to a disclosure by the State Department, were not aware of the President's son-in-law, who was then ambassador to the United Nations, had confirmed charges of KCIA misconduct.

Mr. Spender's message, dated last November and marked "secret," was among 35 documents dealing with Korean intelligence activities in this country that the State Department furnished the Los Angeles Times yesterday. The Times requested the files last December under provisions of the Freedom of Information Act.

Dept., in Row

James Babcock
Cheshire

ON Aug. 2 (WP).—The State Department is in a row with the House of Representatives over the release of a list of South Korean agents in the United States.

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PROUD PARENTS—Swedish King Carl XVI Gustaf holds Princess Victoria, born July 14, as Queen Silvia looks on, at royal residence of Solliden, Oeland Isje.

Favorable Senate Vote Seen Near

U.S. House Approves Energy Department

WASHINGTON, Aug. 2 (AP).—Congress today moved toward final approval of President Carter's first attempt to reorganize the government as it prepared to send him a bill creating a department of energy.

The House voted 353 to 57 to approve a compromise worked out at a House-Senate conference. A favorable Senate vote was expected tonight.

The bill would pull together most federal agencies dealing with energy into a Cabinet-level department to administer the national energy policy that Congress is attempting to write. Included would be the Federal Energy Administration, the Energy Research and Development Administration, the Federal Power Commission, and pieces of various other agencies.

James Schlesinger, the President's energy adviser, is scheduled to become the department's first secretary.

The Senate Energy Committee has scheduled hearings for tomorrow on his nomination, though it has not yet been submitted.

Insulation Measure
Taking its first vote on President Carter's energy package, the House today approved, 217 to 208, a measure to require utilities to offer their customers installation of insulation and help with financing the service.

Yesterday, Mr. Carter made another plea for enactment of his overall bill and for the first time endorsed a proposed 5-cent-a-gallon increase in the gasoline tax.

The House bill contains a tax on "gas-guzzling" automobiles but no prohibition on their sale. The Senate Energy Committee voted yesterday to forbid the sale of any new 1980 model that does not get at least 18 miles per gallon.

It voted to impose on manufacturers a \$10,000 fine for the sale of each car that violates the standards.

Mr. Carter's energy package, sent to Congress in April, was a collection of taxes, rebates, grants and regulatory powers aimed at cutting oil consumption to reduce reliance on imported oil.

The President estimated his proposals would reduce consumption by 4.5 million barrels a day by 1985—a 25-per-cent cut. Congressional studies suggested that he had overestimated by about 1 million barrels a day. The bill's managers think that the legislation, as it went to the floor, would save between 2 and 3 million barrels daily.

To Offer Substitute
Most Republican members oppose the measure, saying it does nothing to encourage energy production. They will offer a substitute to decontrol the prices of new oil and natural gas, saying it would increase oil production by 2 million barrels a day and natural gas by the equivalent of 1.5 million barrels.

The Carter bill would continue price controls on natural gas but at a higher level than now exists, and would extend controls from gas shipped across state lines to intrastate gas consumed in the state in which it was produced. Mr. Carter also would impose a three-stage tax on oil to force its price up as a conservation measure.

Washington, Aug. 2 (AP).—President Carter has praised Gen. Omar Torrijos Herrera, the Panamanian head of government, for helping to bring a new Panama Canal treaty within reach, but he told him to expect no further major negotiating concessions from the United States.

A copy of the President's letter, sent to Gen. Torrijos Friday after Mr. Carter had called the chief negotiators for both countries to the White House to encourage their efforts, was obtained by The New York Times.

The letter was as generally optimistic in tone as Mr. Carter had been in his exchanges with the negotiators, but it cautioned Gen. Torrijos not to push too hard in talks that the President said were "now nearing completion." One warning alluded to the difficulty of obtaining Senate approval of a treaty that went too far to accommodate Panamanian demands.

Part of Panama's team was to return to Washington this week to prepare for negotiations at the State Department that officials of both governments have said could clear away the remaining obstacles to a new treaty.

Mr. Carter said in his letter that the two most formidable of those remaining issues involve the amount the United States would pay Panama for use of the canal during the life of the treaty, presumably until the year 2000, and the schedule under which various segments of the 533-square-mile canal zone would be transferred to Panamanian jurisdiction in that same period.

On the compensation issue, the two sides remain far apart, although both agree that Panama is entitled to a far greater annuity than the \$2.3 million it currently receives.

The U.S. negotiators, Ellsworth Bunker and Sol Linowitz, have emphasized that the additional compensation must come from the canal tolls. They have indicated that the United States might pay up to \$50 million a year during the transition period.

Some administration officials expressed dismay that when the Panamanian negotiators returned home Friday to report to Gen. Torrijos, they indicated they were holding fast to a demand for a "down payment" of \$450 million and an annuity of \$150 million.

The officials feared this public restatement, at this juncture, of demands the U.S. team has repeatedly warned are wildly unrealistic would make it more difficult to achieve an acceptable compromise.

More Than 300 in Search

N.Y.C. Boosts Force Hunting 'Son of Sam' After 6th Killing

By Peter Kihss

NEW YORK, Aug. 2 (NYT).—Stacy Moskowitz died in Kings County Hospital Center late yesterday, 39 hours after she and a 30-year-old male companion were shot by the killer who has adopted the name "Son of Sam."

Three hours earlier, New York's chief of detectives, John Keenan, had announced that more than 300 detectives and other policemen, an increase from 180, had been assigned to New York City's hunt for the gunman.

Miss Moskowitz, 20, died at 5:23 p.m. of swelling of the brain stem—she would have been a vegetable had she survived. Dr. William Shucart, chairman of the hospital's department of neurosurgery, reported. Her heart had stopped "at least a half a dozen times" during the day.

Miss Moskowitz's mother, Nersa, said at the hospital that "she loved life, and she wouldn't have wanted to live that way." Of the killer, who has fatally shot six persons, Mrs. Moskowitz said: "I hope he suffers the rest of his life. I hope he eats his heart out with a cancer. I would die to see this man punished."

Saw Gunman
Miss Moskowitz, a secretary, had been on a date with Robert Violante, who was also shot and reported to be in stable condition. He "told police he saw the person who shot him," according to Dr. Jeffrey Freedman, the hospital's director of ophthalmology.

"I don't know if he can identify him since we don't know if he'll be able to see," Dr. Freedman said. Mr. Violante's left eye, which was shattered, was removed, and the ophthalmologist said "it could take three months" to know how much sight his wounded right eye might regain.

In a news conference, Chief Keenan said witnesses to the Sunday shooting had described the attacker as white, between 25 and 35 years old, 5 feet 7 to 5 feet 10 inches tall, with a stocky build. The detective chief said the man had worn "blue denim pants with a gray long-sleeve shirt, sleeves rolled up or a denim jacket worn outside the pants." He called on women who might have noted a friend or relative wearing such clothes Saturday night or Sunday morning to telephone a special police number.

Sunday's shooting of Miss Moskowitz was the sixth in the eighth attributed to "Son of Sam." In the earlier instances, in the East Bronx and northern Queens, five young people were killed and six wounded since July 29 of last year. Thirty-one bullets or parts of bullets have been recovered, with police ballistics reports concluding that all came from the same gun.

So far, the gunman apparently has fired not more than four bullets in any incident from his five-round Charter Arms Bulldog .44-caliber revolver. Experts said he could be keeping a last bullet, but more likely was leaving empty the chamber under the firing pin—a safety measure to prevent the gun's going off accidentally from any sudden jar or forward push while being carried.

He has been described as firing two-handed from a crouch—a technique taught to the police and other law-enforcement agents. This is to increase accuracy and to cope with a heavy recoil from the .44-caliber weapon.

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Stacy Moskowitz

Charter Arms Corp. of Bridgeport, Conn., Deputy Police Commissioner Francis McLoughlin said "three or four dozen" members of the police department and suburban forces had been found to own them. But investigators have cleared these of any involvement, he said.

Bell Memo Strictly Interprets Limit on Medicaid Abortions

By Myra MacPherson

WASHINGTON, Aug. 2 (WP).—Attorney General Griffin Bell, in a memo prepared at the request of the Secretary of Housing, Education and Welfare, Joseph Califano Jr., strictly interprets last year's Hyde Amendment as not allowing Medicaid abortions for victims of rape or incest.

The amendment, which has not been put into effect, allows for Medicaid abortions for fiscal 1977 only when the life of the mother would be in danger. However, explanatory language, in a conference report accompanying the bill, would broaden it to include abortions in the case of certain diseases and would allow "medical procedures necessary for the termination of an ectopic pregnancy or for the treatment of rape or incest victims."

Mr. Bell interpreted "treatment" in the case of rape or incest to mean only treatment that would prevent fertilization, immediately after intercourse, before the ovum becomes implanted in the uterine wall.

The House is expected to vote today to endorse language similar to the 1977 Hyde Amendment in the fiscal 1978 Labor-HEW appropriations bill. House-Senate conferees last week reached a stalemate on the abortion issue.

Bayh Sees Message
Sen. Birch Bayh, D-Ind., said that Mr. Bell's interpretation would allow abortion only to prevent the death of the mother and was a clear message to Hill conferees that they cannot count on conference report language to broaden the Medicaid abortion coverage.

Mr. Califano said he released the Justice Department memo last night because "I want the public to have all the information available before Congress takes action."

Last year's Hyde Amendment bars on elective Medicaid abortions has not gone into effect because U.S. Judge John Dooling Jr. held the amendment unconstitutional.

The Supreme Court last month nullified Judge Dooling's decision, but the New York City federal judge last week again granted a temporary restraining order that allows Medicaid elective abortions. Judge Dooling said there should be further court argument and set a hearing for tomorrow.

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Fifth Frost-Nixon TV Interview To Be Shown in U.S. Next Month

NEW YORK, Aug. 2 (NYT).—A fifth David Frost interview with former President Richard Nixon, augmenting the four that were televised in May, has been put on the market.

The new program, drawn from the same 28 hours of interviews conducted by Mr. Frost in April will be entitled, "Nixon: For the Record." In it, Mr. Nixon is said to discuss the incriminating tapes of the conversations in his office, the mysterious 18 1/2-minute gap in one and his reasons for not burning the tapes when their existence became known.

Among other topics covered would be Mr. Nixon's appointments to the Supreme Court and the rationale behind the efforts to establish friendly diplomatic relations with China. Unlike the four other programs, the fifth interview will not be televised on a specially created 155-station network but instead is being sold on a station-to-station basis without built-in national advertising spots. Each station will be permitted to sell 12 minutes worth of commercials in the program. The stations may schedule the program at their discretion, provided they show it in prime time between Sept. 5 and Sept. 16.

Mr. Nixon will not receive an additional fee for the new program but, under the terms of his contract with Mr. Frost, will share in the profits from it. The contract reportedly provided Mr. Nixon a flat fee of \$800,000, plus a percentage of the profits. According to sources, Mr. Nixon has already realized close to \$1 million.

'An Awful Lot of People Really Don't Want to Leave'

GIs Uncertain About South Korea Pullout

By Bernard Weinraub

PANMUNJON,

The Nuclear Environment

It is not easy to clarify the motives of the group that caused the turmoil at the Creys-Malville nuclear construction site. But its extent and violence would certainly seem to indicate that the controversy over peaceful uses of atomic energy is cresting. And this has many implications, not only for domestic tranquility and order in many nations, but for their political futures. Nuclear energy played a significant part in the recent Swedish general elections; it will almost surely do so in the coming elections in France and it could affect the politics of several states in the United States.

Many emotions are involved in the nuclear energy dispute. Predominant among them is the fear of nuclear war which, despite the fact that President Eisenhower sought to emphasize the productive aspects of nuclear energy with his Atoms for Peace Program, casts a pall over every nuclear energy plant. This is particularly true of the one intended for Creys-Malville, since it will be a fast-breeder reactor, one which will produce more plutonium than the fuel it consumes and thus will contribute to the raw material of both bombs and power plants. President Carter opposes fast-breeder reactors, since their spread increases the possibility of nuclear war beyond the point made possible by uranium supplies.

But France's President Giscard d'Estaing not only wants to free France from depen-

dence on foreign petroleum but from a similar reliance on imported uranium.

Beyond the impact of nuclear plants upon the possibilities for war, there are environmental factors as well. The demonstrators at Seabrook, N.H., have emphasized that the use of sea water as a coolant and its eventual return—warm—is bad for animal life in the waters surrounding the plant. This is a common argument against using nuclear reactors for power; another one is the possibility of an explosion within the plant which could produce the effects of war. In California, where earthquakes are common, this safety issue, which is raised whenever a plant is constructed, is extremely prominent. And then, of course, there is the very difficult problem of the safe disposal of nuclear wastes.

All of these questions existed when the atoms for peace campaign seemed to indicate that nuclear energy held hopes, as well as threats, for mankind. Perhaps they were at first not taken seriously enough. Perhaps now they are taken too seriously—as arguments against any forms of nuclear energy rather than as guidelines for constructing plants with a reasonable degree of safety. For energy is something that has grown essential to man, as his needs spread beyond what his own strength, or that of domestic animals, or of wind and water could supply. And the atom can meet much of that need, if used wisely and carefully.

As Goes Albania

Albania, whose apparent craziness conceals great cunning (or is it the other way around?), broke 17 years of "unbreakable friendship" with China the other day, alleging ideological infidelity. Frankly, what the step says about Albania doesn't interest us very much. But since Albania is the closest thing going to a weathervane of Marxist purity, the step is an intriguing comment on China. Put next to the expulsion from the Communist party of the radical Mrs. Mao and her "Gang of Four," and the rehabilitation of Teng Hsiao-ping, it says that the post-Mao China is settling down in ways compatible with U.S. interests.

Mr. Teng, 74, is one of the few people left at the pinnacle of Chinese politics who stand conspicuously for a particular set of policies. A protégé of the late moderate Chou En-lai, he stands for economic growth or, more precisely, for not letting China's ravenous economic needs be unduly subordinated to other considerations. Thus, apparently, he would pay some people more if it helped raise production; buy foreign technology and even borrow foreign money as needed; reduce the disruptions of ideological campaigns like the Cultural Revolution, and so forth. Moderate "capitalist road" policies like these, requiring good relations with the industrialized democracies, drive the Albanians up the wall. But Albania, with the lowest standard of living and one of the smallest populations in Europe, has requirements very different from China's.

And so the old weathervane—as goes Albania, so goes China—no longer works. Mr. Teng and his colleagues evidently intend not to go Albania's way.

There is now a U.S. consensus, shared even on the right by those with scant sympathy for Peking, that, whatever happened in the past, there is no longer any reason to consider China a menace to the United States. Aside from Taiwan, the two governments have little to disagree about. In the 1970s, China's fear of the Soviet Union, and the U.S. perception that it could use Peking to keep pressure on Moscow and to enhance stability throughout Asia, produced an accommodation. The two agreed in effect to postpone the Taiwan question in order to enjoy benefits on other levels.

That is where Peking and Washington are now. Along with the existing strategic rationale for a close Chinese tie to Washington, Mr. Teng's rise confirms an economic and political interest, on China's part, as well. This is all the more welcome for coming at a time when the post-Mao turbulence in Peking had cast some doubt over whether it wished to continue the Nixon-Mao effort to improve Sino-U.S. relations. Secretary of State Vance is about to visit Peking for what will be the first high-level contact between the two new "administrations." That Mr. Teng, who received President Ford, as well as Chairman Hua Kuo-feng, will be there to receive the secretary would seem to bode well.

THE WASHINGTON POST.

International Opinion

'Taiwan Must Be Liberated'

Taiwan must be liberated; our motherland must be reunified. This represents the general trend of development and the common aspiration of the people. No one can prevent it. When and how to liberate Taiwan are entirely the internal affairs of China and brook no foreign interference. . . . We do not seek hegemony now; even when we become strong economically and modernize our national defense in the future, we will neither seek hegemony nor become a superpower. Our principle is: We will not attack unless we are attacked; if we are attacked, we will certainly counterattack. . . . The rivalry between the Soviet Union and the United States is increasing and the Soviets want to subjugate China. We must therefore strengthen our army and speed up the modernization of national defense. . . .

—From the People's Daily (Peking).

Vance's Mideast Mission

The tension between Israel and its neighbors will not fade away simply because Mr. Begin and President Carter have put their cards on the White House table without coming to blows. Nor will it fade away because Mr. Vance has been applauded by the Egyptian press as a man who thinks the Palestinians should have a homeland. Nor, finally, will the problem be solved if all the right people, some of them suitably disguised, sit around the same table in Geneva. A conference could be a diplomatic feather in President Carter's cap. It could allow Mr. Begin and Mr. Arafat (through a third

party) to start a bargaining process. But a conference is not an end in itself. . . .

The list of irreconcilable statements is depressingly long and has been given an overgenerous airing throughout the Middle East. Unless Mr. Vance can quietly discover some possibilities for compromise, the convening of a conference might merely mean the transfer of an existing quarrel from the newspapers to Switzerland. For in spite of the hosannas, all that Mr. Begin and Mr. Carter have done is to get to know each other's positions and acknowledge that the problems still exist. Mr. Vance is unlikely to be able to solve them. But at least he can help sort out the rhetoric from the realities and begin to map out the ground in which solutions can be built.

—From the Guardian (London).

Swiss Stability

If there is an undercurrent of uneasiness in Switzerland, it is not because the country's institutions have failed but because things are in a very good shape and there are few genuine targets for idealistic adolescents to shoot at. But we in Switzerland have not had our high living standard for long enough to have forgotten what things were like before we achieved it. And additionally, we are surrounded by a Europe in which political stagnation is threatening democracy and the superpower arms race hangs like a cloud. If we look out across our frontiers we can see every reason to cultivate and maintain Switzerland as we know it. . . .

—From the Neue Zuercher Zeitung (Zurich).

In the International Edition

Seventy-Five Years Ago

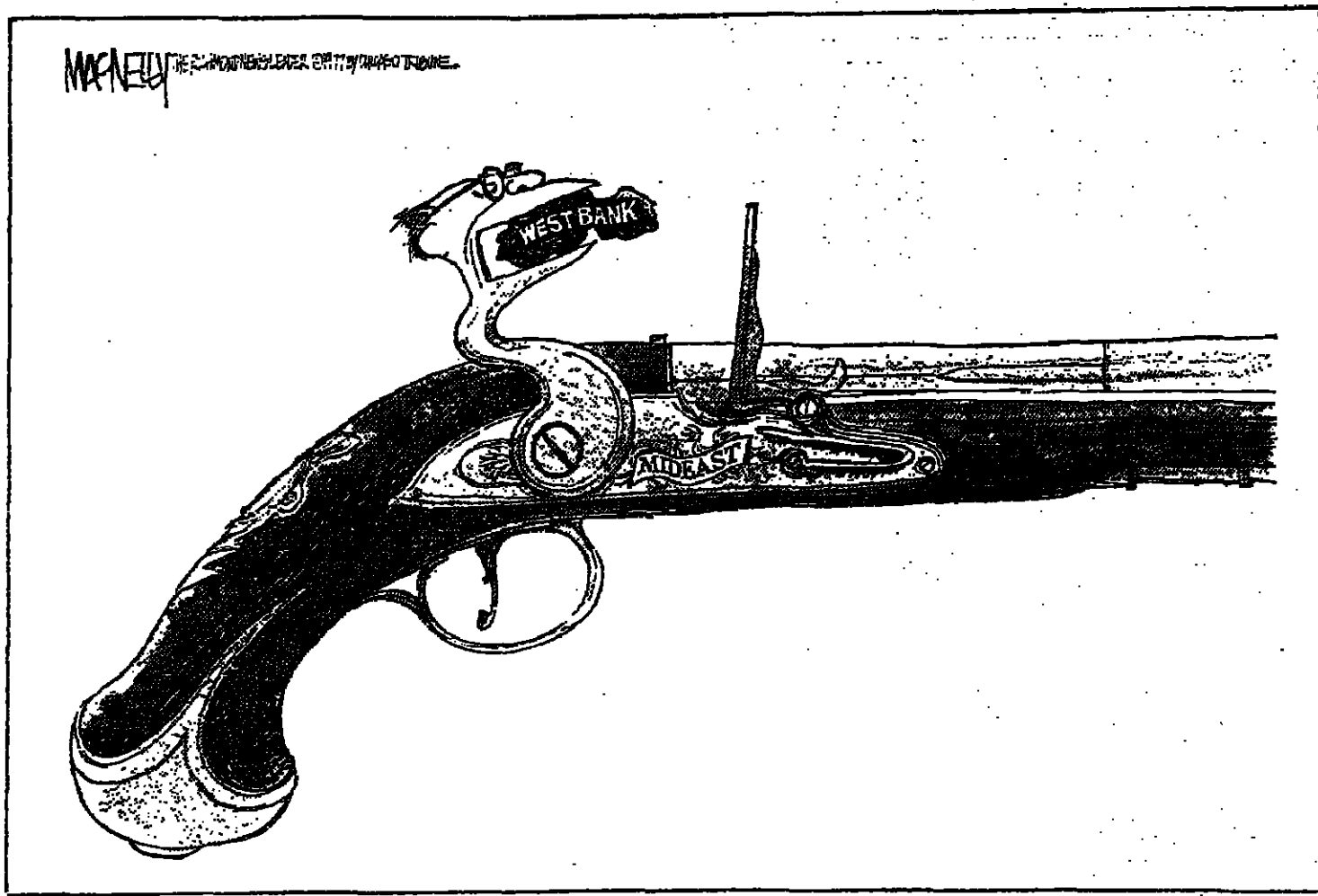
August 3, 1902

PARIS—A remarkable meteorological phenomenon occurred at Tignes Friday night. After a day of mist and rain, with a low temperature, suddenly, first at midnight and a second time at 1:30, there were violent hailstorms. The streets were covered with large hailstones the size of small nuts. The most curious feature of the phenomenon was the fact that when the hailstorms occurred, there was an absolutely clear sky.

Fifty Years Ago

August 3, 1927

RAPID CITY, S.D.—President Calvin Coolidge, with quietness and calm bordering on the dramatic, announced in a cryptic typewritten statement today that he would not be a candidate for re-election in 1928. The news astounded political observers and left the public startled, but the President refused to say anything more. The President handed the statement to newsmen. It read: "I do not choose to run for the presidency in 1928." That was all.



Soviet Anti-Semitism and Crises in the Kremlin

By Victor Zorza

LONDON—The Kremlin's suspicion that an international Jewish conspiracy is seeking to dominate the world and to undo the Soviet regime is once again beginning to make itself felt in the Soviet press. On the face of it, the show trial of Jewish dissidents now being prepared by the KGB is designed to show that the accused are agents of the CIA and have been working to undermine the Soviet system.

This much is evident from what has been said in the Soviet press about Anatoly Shcharansky, who is now under arrest, and his supposed accomplices. The propaganda about the international Jewish conspiracy is less explicit, but it recalls earlier Soviet press campaigns which proceeded from vague generalizations and innuendo to specific details and formal indictments.

Soon after World War II, Stalin launched a campaign against "cosmopolitan" influences in Soviet art and science, which his secret police promptly translated into a wave of arrests. As Moscow officially admitted after Stalin's death, this had resulted in the imprisonment and execution of many innocent Jews on false charges of being involved in an international conspiracy against the Soviet Union. The anti-cosmopolitan campaign was, in fact, a facet of an internal Kremlin power struggle in which Jews became the scapegoats.

'Doctors' Plot'

In the early 1950s, as Stalin began to sense his approaching end, he launched another anti-Jewish campaign, in the guise of "the doctors' plot." Once again Jews were arrested and executed, starting with some of the Kremlin's own doctors who were said to have been involved in an international Jewish conspiracy to kill the Soviet leaders. The "doctors' plot" was, in effect, an aspect of the Kremlin struggle for the succession to Stalin, but the secret police translated it into a broad anti-Semitic campaign which struck terror into the hearts of Jews throughout the Soviet Union. The surviving "doctor-plot" were pronounced innocent and released after Stalin's death.

There were other anti-Jewish campaigns, both under the Khrushchev and under the Brezhnev regimes, and although they differed in character from the Stalin campaigns, they still used Jews as scapegoats for the Kremlin's policy failures. The Kremlin conservatives repeatedly brought the Jewish issue into the leadership power struggles of the 1960s, with Jews, with their more liberal leanings and with their international connections, were a threat to the stability of the regime.

This is the background which has to be borne in mind when considering the KGB charges that Shcharansky and other Jewish dissidents were collecting military information for the CIA. They kept in touch, says Ivestia, with members of the U.S. Embassy in Moscow who told them that they had come to the Soviet Union "to shake its foundations."

Compared to Nazis

The popular magazine Ogonyok commends to its readers a new book which, it says, has proved "the similarity between Zionism and Nazism," and which ascribes to the Jewish people "the same man-hating ravings about the 'chosen nation'" and about its "historic mission" as Hitler did.

Another book, published in the Soviet Union last year, explains that Jews regard themselves as "the God-chosen people" on the strength of their religious teaching. An Israeli school textbook, it says, "tries to convince the children that the Jews are the elite of mankind created especially to praise the Creator. It follows, therefore, that they can keep slaves, and that the slaves shall be non-Jews." That book, published in the Ukrainian city of Lvov, might be regarded as a provincial aberration, were it not for similar articles elsewhere. In 1975, some authoritative support

was lent to just such provincial outpourings by the serious Moscow Journal Moskva.

Following a similar book published in Minsk, the capital of Belorussia, Moskva spoke of the "particularly repulsive" doctrine of Jewish "world domination," which was based, it said, on the biblical injunction that, "in keeping with God's will, all peoples will become the slaves of Jews." By the time the 20th century had arrived, capitalism had turned into imperialism, "and in this it was greatly helped by the Jewish bourgeois which had grabbed an altogether considerable part of the earth's riches, and was trying to lay its hands on all that remained." To this end it had set up Zionist organizations "whose members" were supposed to infiltrate all state institutions.

"But Jewish bankers are not yet in power everywhere," Moskva continued. "That is why," says V. Begun in his book, "it remains the most important task of the Zionist brain center to capture the key positions in the economic, administrative, and ideological machine of the countries of the diaspora," in which Jews are now dispersed. Given the Jewish behavior and doctrine, it explained, "it is natural that such monstrous teaching could not fail to arouse the vigilance, dislike, and even hostility on the part of people with even a minimum of sense."

It therefore followed that "anti-Semitism may arise as a spontaneous reaction of the enslaved strata of the working people to the barbaric exploitation carried out by the Jewish bourgeois." Such reactions, it concluded with a Marxist flourish, "should be regarded as a manifestation of class struggle rather than as anti-Semitism."

There are those in the Soviet Union who regard such articles as providing an ideological justification of anti-Semitism. A familiar pattern begins to emerge. The trial of Jewish dissidents on charges of working for the CIA could add a "legal" excuse for anti-Semitism. The struggle for the succession to Brezhnev which is now under way could bring anti-Semitism into the Kremlin's internal politics, with some of the factions trying to use the Jews as whipping boys, as happened before. The Shcharansky trial, designed to show that the Jews are joined with the United States in a conspiracy to undermine the Soviet regime, would play into the hands of those Soviet politicians who believe that Brezhnev's détente policy has gone too far.

Similar patterns in the past have usually coincided with some internal crisis in the Kremlin. The question therefore arises whether some new crisis is brewing in the Kremlin now.

Many Questions, Some Answers

By C.L. Sulzberger

PARIS—It is almost three months since President Carter held his summit meetings in London with leaders of industrial lands and NATO. Despite an effort by all parties to give an optimistic account of how things stand, transatlantic relationships have not improved since then.

There is an increasing question mark in Western Europe about just where the new U.S. administration is heading. With France arrogating to itself the role of principal doubter the position may be summarized accordingly:

(1)—Human rights: No North Atlantic partner disagrees with Carter's emphasis on this issue. However, several dislike what they call his "little cold war" as counterproductive and damaging to détente. They argue it has raised Moscow's hackles, and halted progress previously achieved by dissidents in the Soviet bloc. The Kremlin's repressive apparatus has been reinforced, and this trend has been mirrored in the satellites.

(2)—Disarmament and testing: It is held here that a mere strategic arms accord would leave Moscow free to menace Western Europe with its preponderance of conventional troops and tactical weapons. This strengthens French insistence that it will by no means curb its own underground nuclear testing, no matter what Washington, Moscow and London agree on. But there is one little-noticed, significant qualification: If the United States were to make certain secret devices and technological processes available, the French might find themselves able to reduce their proposed testing program.

(3)—Nonproliferation: Paris and Bonn both insist they are just as interested as Carter in preventing the spread of nuclear arms. But they refuse to accept a ban on broader reactors or controls on access to enriched uranium, which they feel are imperative to this oil-poor continent's growing energy needs.

(4)—Trade: Despite Washington proclamations to the contrary, several European capitals complain that U.S. commerce remains excessively protectionist. When the State Department explains that regrettable limitations are imposed by Congress, Europe shrugs its shoulders cynically. There is about as much understanding of U.S. governing machinery over here as there is of baseball: None.

(5)—The dollar: A good deal of murmuring is heard about its fall in value vis-à-vis other currencies. It is felt that Washington pays inadequate attention to the dollar's international role. By letting it slide the United States has disgraced the monetary system of many countries while gaining unfair advantages for U.S. exports. It is argued that the U.S. economy depends far less than European economies on exports and that, although this area has had a fringe benefit through paying less for petroleum imports (fixed at dollar rates), the overall result has been negative.

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a substitute market. Its societies started off too far behind, despite the suddenly accrued wealth of a handful of oil-lands.

At the same time new industries have grown up in corners of East and South Asia and are starting to compete in Western markets, thanks to cheap Oriental labor.

Such, therefore, is the broad background of discontent reflected in various degrees of worry, proceeding country by country from Britain across to the east Mediterranean. The French viewpoint contends there are two fundamental ways of helping to ease the situation and to avoid problems:

• Negotiation of new disarmament and testing accords with the former not limited to strategic weapons but including tactical and theater weapons and forces, in order to attain a true balance. The latter would guarantee to nuclear countries like France access to facilities and techniques now available in the United States in exchange for agreement to limit scheduled tests designed to catch up with the superpower quality levels (not, of course, quantity). This would hugely cut military budgets.

• A coordinated diplomatic program designed to urge immensely wealthy underpopulated petroleum-producing lands like Saudi Arabia or Kuwait (for example) to lend enormous sums to international organizations for the development of the mainly poor Third World: Sums on the scale of tens of billions of dollars, not billions. Only in that way can new markets be developed for the choking industries of the West.

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Carter Fa

Defense S

On W. Eu

By Evans and

WASHINGTON. —

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PRM-10, the Carter: tion's top secret strat suggested that this p be made palatable i Europe by simply not its implications. This wuolly adopted in high: ings last Thursday an Zbigniew Brzezinski, dent's national secur There was no dissent senior officials assem

The strategic policy given the President (pages of single-spac makes no mention of duplicity in Central talks of a committan mum loss of territory To achieve a broader Mr. Carter ought to minutes of the Thu: meetings of his Senio ing Council on Natio

The SGC agreed on annual increase in de ing fulfilling Mr. Ca ise to his NATO alle year. But, according notes taken by one ticipans, Brzezinski i is not possible in political environment port in the United St cement of the forces required to NATO could maintain integrity if deterrence fore, we should ad mate" strategy. That gy of falling back on Soviets to face the sequences of their s

Brzezinski went o that these "polit quences"—world op approval, U.S. m would help deter a time. There was no those present, ino President Mondale, Standfield Turner, negotiator Paul War George Brown, cha: Joint Chiefs of Sta.

Brzezinski continu there must be a gay declared strategy an ability. We cannot reasons announce c Again, there was though some offici opinion there would pay if the West Ge what was happeni All this follows th: June 20 draft of I lists four options f defense spending, stop a Soviet offensi formed by the We: Rivers, surrendering third of West Ger: ing Saxony and mo

These four options PRM-10, do not "p determined Warsaw: Soviet attack, pe: persist in their a NATO conventio: Central Europe i: these options are rejected out of han

The four options: creases in defense PRM-10, would be roll back a Soviet "may provoke adv: killed reactions." Arme control nega be disturbed by "s: ing a, visible and r in the case of U: forces, particularly Soviet suspicions of would make it not: conclude meaningf: agreements," eth: MEXICO

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senses Up, Too

Soldiers in W. Germany
'Inch of Sagging Dollar

By Murray Seeger

2.—The slide in the dollar against the mark has lowered the living for more million Americans in Germany and has low-ranking, married live outside U.S. aid housing.

U.S. Army-Europe has estimated that the dollar value in the year already has fallen to the cost of the 184,000 troops in West Germany.

tial increase in the odds in West Germany. The effect on GI morale and worried about the possible effect on the number of soldiers willing to sign up for another tour of duty in West Germany. Bringing in replacements is costly. Also costly are the increases in payments to local contractors, suppliers and workers.

The Army's operating budget in West Germany was based on an expected exchange rate of 2.56 marks to the dollar, with one mark having a value of about 39 cents. After a slight recovery, the dollar today on the Frankfurt exchange was at 2.59 marks.

The same inflation will affect contracts between West German suppliers and builders and the U.S. military. "The military is so heavily concentrated in Germany and Japan that when the dollar suffers against the mark and yen their costs really soar," a U.S. official commented.

In the long run, many trade experts believe that there will be little or no effect on West German exports to other markets. Many studies have shown that the relationship between inflation rates and currency rates cancel each other out. The dollar may become cheaper, but if U.S. prices rise, the cost of goods stays the same. The mark may rise in value, but the West German price index is so stable that sellers can guarantee prices long in advance of delivery.

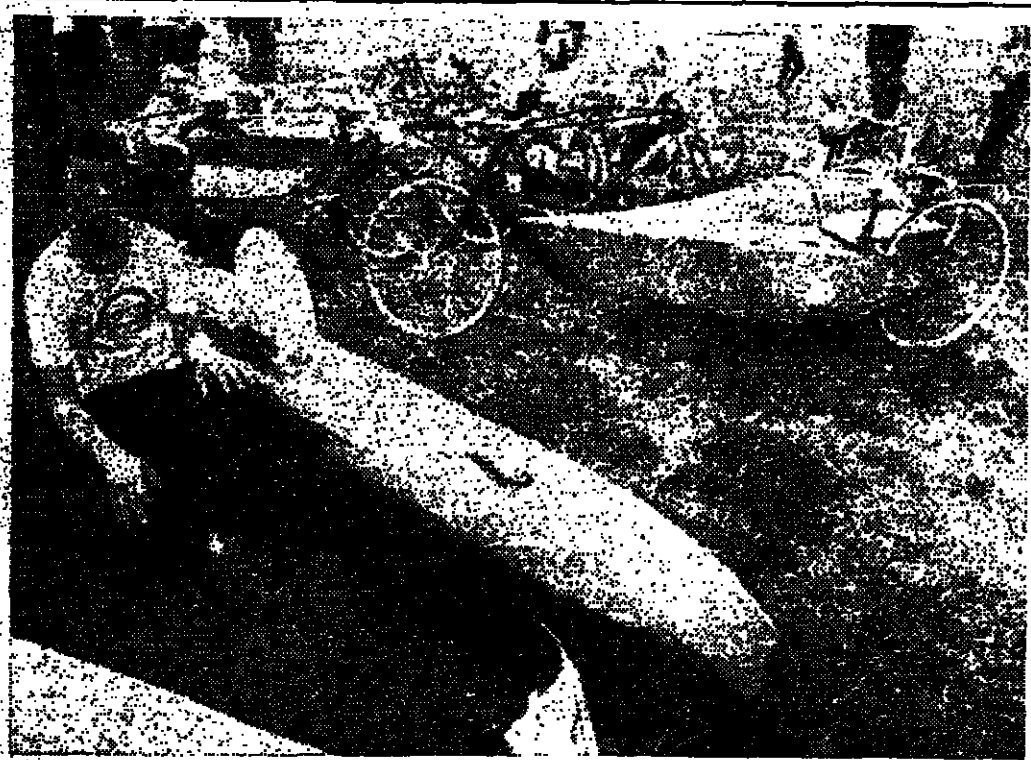
This is a major reason why West German exporters have been able to continue their remarkable international performance despite the long, steady rise of the mark in the last several years.

West Germany also now can buy cheaper dollars to pay its big imported oil bills and reduce the strain on its balance of payments.

"You have to wonder how long the Arab oil sheikhs will continue to take their payment in dollars," a U.S. trade expert said.

Los Angeles Times.

many and don't all my time in the sc. 4 Wayne Badsaden said. "It's higher-ranking, ed personnel who lowances and live ses also have suf it takes more of



GASOLINE MISER—Juergen Rapp, 18, of West Germany, next to the vehicle that has earned him a 20,000-mark (about \$8,700) prize in a gasoline-saving competition at Heckenheim, West Germany. Officials calculated that his contraption, which uses a 50-cubic-centimeter engine, went nearly 500 kilometers on one liter.

Warrant Issued for 2d Suspect

Woman Held in German Banker's Slaying

By Paul Hofmann

BONN, Aug. 2 (NYT).—The police today detained a young woman in connection with the slaying of one of West Germany's top bankers, Juergen Ponto, in an alleged anarchist kidnapping plot on Saturday.

The suspect is Eleonore Maria Poensgen, 23. She was taken from her home near Frankfurt University early this morning. The police said she was suspected of having taken part in the attack on Mr. Ponto in his villa in Oberursel, near Frankfurt.

Officials said later that Mr. Ponto's widow and a gate keeper had identified Miss Poensgen as one of three persons who had attacked the banker Saturday.

The detained woman produced an alibi and named witnesses to corroborate it, officials said.

An arrest warrant was issued by the federal court in Karlsruhe this afternoon, for Susanne Albrecht, considered the prime suspect in the case.

The woman who was detained this morning and Miss Albrecht, who is still at large along with other suspects, are described as fairly typical, although up to now unknown, members of what West Germans call the "terrorist scene."

Los Angeles Times.

An outsider visiting one of the cafes that purportedly are meeting places for the terrorists is likely to see only the supporting cast of the "scene."

They may be *spontis*, young people who call themselves "spontaneous" leftists, or theoretical Marxists and anarchists.

They may openly advocate and applaud violence and refer to judges as "pigs" and policemen as "bullies," but they only imitate the parlance of the active plotters, who stay most of the time in "safe houses" or slip across the borders to relatively secure havens in Paris or northern Italian cities.

None of the women suspected in the Ponto slaying had appeared previously on any wanted list. They seem to belong to a baffling new West German revolutionary wave, which in only 10 years has washed up three distinct generations.

The first is epitomized by "Red Ruol," the volatile Rudolf Dutschke, who won international notoriety during the student protests in Berlin and Paris in 1967 and 1968. The second generation is linked with the Baader-Meinhof gang. The latest, embodiment of violent anarchism is seen in the young men and women who killed West Ger-

many's chief prosecutor, Siegfried Buback, in April, and Mr. Ponto. They were brought up mostly in comfortable middle-class homes and did well in school. And now they want to destroy the West German society and political system, which they call "Fascist" and denounce as dominated by U.S. "monopoly capitalism."

"They come from good bourgeois families," said Armand Mergen, professor of criminology at Mainz University. "They are intellectuals who consider themselves above the common law..."

The spokesmen for the terrorist scene, in leaflets and messages to media, talk of "prisoners of war" when they demand freedom for their imprisoned comrades. They justify bombing, arson, kidnapping and murder as legitimate military actions.

Virulent though the voices from the terrorist scene are in their denunciation of the bourgeois West German system, they are vague when it comes to delineating the type of "proletarian" society they say they want to build.

The few orthodox pro-Moscow Communists in West Germany and groups to the left of them, including some *spontis*, have rejected the aims and methods of the terrorists.

GOP Leaders
Assail Carter
Cargo Policy
See 'Political Payoff'
To Maritime Industry

By George Lardner Jr.

WASHINGTON, Aug. 2 (WPI).—In their harshest attack on President Carter since he took office, top Republican leaders assailed his support of cargo-preference legislation as "a blatant political payoff" to the maritime industry and vowed to step up their demands for a congressional investigation.

Republican National chairman Bill Brock, Senate Minority Leader Howard Baker, R-Tenn., and House Minority Leader John Rhodes, R-Ariz., said in a joint statement yesterday that the administration had refused to permit the testimony of key government officials opposed to the cargo-preference proposal.

The three GOP spokesmen maintained that a congressional inquiry would have been under way by now if a Republican president had made a similar decision "in furtherance of a campaign promise."

White House press secretary Jody Powell dismissed the complaints as "partisan rhetoric." He also defended Gerald R. Ford, President Carter's campaign advertising director, against charges of impropriety stemming from a \$500,000 advertising campaign that the maritime industry commissioned this spring on behalf of cargo preference.

Alluding to a memo to the President from Treasury Secretary Michael Blumenthal, the GOP leaders charged that the plan could cost consumers more than \$800 million a year by 1985.

The President decided last month to support a bill guaranteeing U.S.-flag tankers nearly 10 per cent of the nation's oil import market. The legislation is now before congressional committees.

The Republicans said that Mr. Carter, who received more than \$100,000 in campaign contributions from U.S. maritime interests, ignored advisers' opinions and protests by 11 maritime nations.

Only about 3 per cent of the nation's oil imports now arrive here on ships flying the U.S. flag. Transporting it under foreign flags is less expensive.

Spain Train Crash Kills 2

ALICANTE, Spain, Aug. 2 (AP).—Two persons were killed and 30 injured when two narrow-gauge trains collided today near Villajoyosa, about 60 kilometers from here, rail officials said.

Britain's Diplomats Are Advised
To Skip Cocktail Party Circuit

LONDON, Aug. 2 (UPI).—The government's advisory "think tank" told Britain's diplomats today to spend less time on the cocktail party circuit and to cut down on lush living.

A constant round of entertainment can be wearying, affect a person's ability to do his job during the day and make it difficult to find time to do other kinds of work in the evening," the "think tank" or Central Policy Review Staff, said in a 450-page report to the government.

The report contained recommendations on how Britain's Foreign Office and diplomatic service should function in an era of waning British influence in the world.

One of the main recommendations was that Britain should be represented abroad by fewer career diplomats and by more civil servants with expertise in government departments at home.

The report also recommended closing about 20 embassies and high commissions and at least 35 consulates in countries where Britain has few interests or obligations.

Lisbon Cardinal
Manuel Cerejeira
Is Dead at 89

LISBON, Aug. 2 (UPI).—Manuel Cardinal Goncalves Cerejeira, 89, the retired Roman Catholic archbishop of Lisbon, died here last night, a church spokesman said today.

The archbishop, who retired in 1971, was a close confidant of the late Portuguese rightist ruler, Antonio de Oliveira Salazar, and was instrumental in increasing the church's political influence during the Salazar regime.

The archbishop first met Mr. Salazar when both were professors at Coimbra University in the early 1920s. His rise in the church coincided with Mr. Salazar's rise in the government.

He was named archbishop of Mitilene in 1928, became archbishop of Lisbon the following year, and was made a cardinal in 1930.

In 1942, he played a primary role in the negotiation of a new Concordat between Portugal and the church that outlawed divorce and gave the Catholic Church a privileged position in the nation. After the old regime was ousted in 1974, a new Concordat was negotiated that reinstated divorce.

Giuseppe Castellano

PORRETTA TERME, Italy, Aug. 2 (AP).—Gen. Giuseppe Castellano, 84, a signatory of the Italian Armistice with the Allies in 1943, died here Sunday, relatives announced today.

Gaulist Office Fire

PARIS, Aug. 2 (Reuters).—Fire badly damaged offices of the Gaulist party. Rally for the Republic, today when a workman's portable stove caused a gas bottle to blow up, police said.

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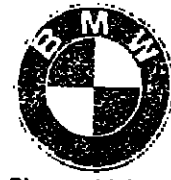
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Big-Band Sound Too Pure to Die

By Michael Zwerin

NICE (IHT).—Thad Jones is a joyful bear of a man whose fresh and witty trumpet playing is almost a school by itself. He has composed and arranged music for among others, Harry James and Count Basie, with whom he was featured for nine years.

"They say big bands are an anachronism," he says. "Maybe so, but that sound has been in my head from a very early age. I couldn't conceive of making music that sounds any other way."

The 37-piece Thad Jones-Mel Lewis Orchestra, currently on its fifth tour of Europe, has also been in Japan twice, to the Soviet Union for the State Department in 1972, and last year played Poland. They are booked five nights a week.

During this year's Nice Festival, where the band was featured, Jones said somewhat defensively: "Mel and I are not doing this in our spare time. We are a solid operating unit and we intend to be around for awhile."

Debut in Village

They began by working Monday night at the Village Vanguard in New York 12 years ago. They were considered fun but somewhat dilettante, and perhaps de jure.

They were compared to doctors playing string quartets on Saturday nights. Mostly studio musicians bored making commercials eight hours a day five days a week, they played for less money than money. The big-band era was over anyway, supposedly buried a decade earlier by television and rock.

Alechinsky Wins First \$50,000 Mellon Prize

NEW YORK, Aug. 2 (AP).—Pierre Alechinsky, a Belgian artist who works in Paris, has won the first Andrew W. Mellon Prize for Artists. It was reported yesterday.

The \$50,000 prize, sponsored by Pittsburgh's Museum of Art, is intended to be the equivalent of the Nobel Prize in literature and the sciences.

The prize would be officially presented Oct. 23 at the opening of a show of 137 Alechinsky paintings at the museum.

The prize is funded by the Andrew W. Mellon Educational and Charitable Foundation.

"Ghost bands" continued under the names of dead founders through the fifties, Ray McKinley and the Glenn Miller Orchestra for one. Toward the end of his career, bandleader Claude Thornhill remarked: "Maybe I should die so my band can get some work."

Certain established bands had strong enough personalities to resist passing fancies. Duke Ellington of course. Count Basie and Woody Herman are still booked solid more than 40 weeks a year, although their support is basically from middle-aged, nostalgic fans who expect too many old favorites.

With the possible exception of Maynard Ferguson, the Jones-Lewis band is the only one born after the big-band heyday to have earned full-time status.

Barred Alive

Jones says: "The big-band sound is too pure and basic to die just like that. I think it was buried alive."

"Blood Sweat and Tears" and "Chicago" were two attempts to marry rock with the big-band sound, but they were little bands trying to sound big by turning up the volume. The standard large, organized swing orchestra—five trumpets, four trombones, five saxophones and a rhythm section—is fueled by human rather than electric power.

A Large Scale

The thrill is hearing a large team meshed, the same sort of thrill as watching a good football team.

Keeping 17 jazz musicians functioning as a unit has never been easy, even in the best of times. "You have to really love it," Jones says. "You have to be willing to pay the price. It can be heart-breaking. You will lose money, and friendships in some cases. You are going to lose some of your best musicians along the way. You are going to sound lousy some nights. It's a long, painful process, but Mel and I committed ourselves to it years ago."

Partner Mel Lewis has drummed with Stan Kenton, Dizzy Gillespie, Gerry Mulligan and Benny Goodman. His understated time fits Jones's pliable, open approach to arranged jazz perfectly. They are, however, an odd couple in many ways. The band has always been effortlessly integrated: there are no quotes. For another, Lewis's retiring stage presence belies his co-leader role.

For both, the band is an in-

strument. You cannot be a big-band drummer without a big band. You cannot hear your orchestral compositions without an orchestra.

They are sometimes referred to collectively as "mad."

Collaborations in the arts are famous for falling. Jones explains this one's success: "We're not jealous of each other. I've never had any suspicion that by some subtle and insidious means, control is being taken away from me. One or the other of us just goes out and does something because it needs to be done."

Jones is a member of a large musical family, which may have taught him something about teamwork. Brothers Elvin and Hank place near the top of all jazz polls on drums and piano respectively. Their father was not too happy at first about his sons playing what he called "the devil's music," although he eventually came to feel that any music that comes from the heart is spiritual.

Comfort at 54

The "devil's music" has made Thad Jones comfortable at 54. He teaches arranging and improvisation at William Patterson College in New Jersey. He can afford to turn down uninteresting recording dates. He has a child in business school, another wants to be a doctor. His com-



Trumpeter Thad Jones

positions are published and earn royalties. He has lived in the same house in Teaneck, N.J., for 17 years: "I like it," he says. "I know all the creaks."

The original studio guys soon faded back into the studios. The band has since been made up of "budding giants," as Jones calls them, strong youngsters

like trumpeter Jon Faddis and trombonist Billy Campbell. Comfort has not blinded him to their problems.

"Big bands used to be the place where young players served their apprenticeship," Jones says. "Without them, jazz musicians are in danger of becoming as extinct as the American buffalo."

The out-there-in-the-trenches young cats are finding it harder and harder to maintain their self-respect. They have no place to develop. You lose them one by one.

"But now that Mel and I have proved that it can still be done, maybe other big bands will make their appearance."

FILMS IN PARIS

Dorian Gray Still in Search of a Movie

By Thomas Quinn Curtiss

PARIS, Aug. 2 (IHT).—"Le Portrait de Dorian Gray" (at the Paramount Elysées, the Publicis St. Germain and the Marivaux) is the fourth film version of the Oscar Wilde novel, another inadequate transposition.

The great Russian director Vladimir Meyerhold was the pioneer in distilling a movie from the book. He cast an actress, Varvara Yanova, in the title role, aware that any actor in the part would be acutely embarrassing. It was rumored that Greta Garbo once wanted to play the role. Hurd Hatfield in Albert Lewin's Hollywood edition and Helmut Berger in a recent British try proved the wisdom of the Meyerhold subterfuge and the latest Dorian, played by Patrice Alexandre, bears little resemblance to Wilde's dilettante.

The present adaptation is small scale and has an arty edge, actually a photographic recording of a miniature stage production seen in Paris last season. It is presented as a play within a play on the confining boards of a tiny theater—and its more expansive cinematic possibilities have been utterly neglected. The Wilde fable, though somewhat absurd today, is a melodramatic morality brightened with witty dialogue. In the limited new form many of its priceless lines retain a brilliant ring, but the intensity of its blood-and-thunder has been dispersed by cramped performing space and cut-rate stylization. For example, Dorian's man-

ner is a woman in valet's clothing (despite her flowing long locks) and when not serving drinks or showing guests into his somber lair, she bangs ominously on the piano during his most exasperating experiences. Realism and the fantastic, so harmoniously blended in the original, are here ill-matched sparring partners. The superimposed artificiality holds the narrative in chains and smothers its original thrills. Raymond Gérôme repeats his suave performance as Lord Henry and acts as a superb, fluent commentator on the proceedings. "The Picture of Dorian Gray" still awaits its proper realization on the screen.

The eerie influence of "The Exorcist," "The Omen" and other supernatural shockers has spread to Canada. The initial Canadian export in the bloodcurdling genre bears the title, "Cathy's Curse," and is being shown at the Biarritz and the Danton in English.

Cathy, though only about 8, is a mass-killer of almost Charles Manson proportions. Coming to live with her parents in the haunted house of her grandmother, she pushes the kindly housekeeper to death, slays the hired man and his handsome Doberman pinscher (the only creature on hand that is cognizant of her black powers), confers with evil spirits in the attic, vomits gutter expletives on intruding neighbors, makes things hot for her demented mother (whom she is intent on murdering) and scratches the eye of one

of her unwary playmates with a rusty nail. And there is, of course, an account of demonic possession and reincarnation.

The Canadian producers have made a fatal error in borrowing the formula. They relate their macabre nonsense with unrelieved solemnity. Their Cathy, played by Randi Allen, has none of the conciliatory traits of some of her screen companions in black magic. She lacks the wistful quality of the child witch, Carrie, in the film of that name and the sense of the ridiculous that made one side with the preoccupied, hell-raising tot of "The Omen" in his war on his altruistic elders. Cathy, a glaring mope, is as grim, as resolute and as mechanical as Frankenstein's monster, a certifiable and monotonous psychopath of tender years.

"Le Bataillon en Folie" is an Italian film that is only to be seen in a version dubbed into falsetto French at the Maxéville, the Scala and the Faubette. It would be best not to see it at all for it is indisputably the worst film of the year and quite possibly the worst film of any year, a singularly repulsive and dreary product of unmitigated stupidity.

Apparently designed as an attack on militarism, it backfires and after viewing it—only for 20 minutes—one is stricken with a strong impulse to enlist in any army that will wage immediate and total war to prevent another dose of such balderdash. It is to the honor of French taste that

Varvara Yanova as Dorian Gray and Vladimir Meyerhold as Lord Henry in 1915 Russian film of Wilde book.

not a titter was heard during its unrelenting at the Faubette the other afternoon, its ghastly gags and outbursts of drivel, spoken in squeaky voice, being met with disgusted silence.

Most surprisingly its direction is credited to Salvatore Samperi, who in "Malicia" delivered one of the most amusing sex come-

Author Compared to Gibbon

'Slow Boat From China' Reaches 8 Tomes D

By Israel Shenker

NEW YORK (NYT).—He is big and hulking, white-haired and pale. She is tiny, a wisp, 80 pounds. He acts as though nothing would faze him, an unflappable Englishman who has lived long and learned a great deal. She smiles readily, a perky Chinese woman who makes light of her learning.

Dr. Joseph Needham met Lu Gwei-djen late in 1936. "She'll say 1937," he predicts.

"Nineteen thirty-seven," she insists. It is a joke between them. He dedicated his book "The Grand Unification" to her—the explainer, the antithesis, the manifestation, the assurance of a link no separation can break. She is his principal collaborator, and she joined him this month on a visit to the United States.

When Dr. Needham met Lu Gwei-djen and other Chinese students at Cambridge University, he was already an illustrious scientist. His new friends in-

terested him in Chinese, and devising his own system, urged on by curiosity and delight—he studied the language.

"It's like going for a swim on a hot day," he said. "Getting right out of the alphabet into a

language where words bite of crystal. I us biochemist and embry Chinese impinged or of vision."

During World War British sent him to scientific counselor, what he remembers: portable and enjoy traveling, making his scientists and hisor mutuating a great Chi on science and civil

When—the United Educational, Scientific Organization, Paris, he was th UNESCO. But th Chinese pulled him b swim. With the in an Edward Gibbon—I been compared to th as well as to that of and Darwin—he plu project of staggering and encyclopedic br

Today, 30 years la and Civilisation in eight tomes complete. It has been hailed it would pitch the va onto new heights of The Times Literary of London spoke o ham's "greatness," Philip Morrison of

chinese Institute o proclaimed: "Readi shops and the shel 'Having set out why modern sci develop in China, i documented in detail how the We in adopting Chine such as printing, compass, gunpowder ical control of insec were, as he wrote, others—mechanical the casting of iron efficient horse-b Cards, suspension Pascal triangle, s bridges and pou canals, the stern fore-and-aft sailing cartography."

Season In lectures and he added season to "A wise, ancle advised against g it singed beards, i and brought Tsai credit."

"The Chinese we into plowshares. I from the minus i onward."

"One thinks in tures," Dr. Needh "We took to plus cause we didn't th than was a Chne. I never i Christianity and be."

Centuries passed caught on, or as put it, "before Chinese science fi sea of universal s the Times Litera put it, "slow boat It took 15 cen Europe east iron. Needham's reason medicine caught u only about 1895

Having calcula probabilities. Dr. N optimistic about h for catching up c on how much long complete the met and West, he repli it'll be the rest of i

"There were also "master right," the Ce versity Press, agre the books, and sal "When you reprint time, it really i Needham said.

Early Lea En route to Dr. Needham was r His father was r "the lower orders," him to read Trollop but he preferred St At Cambridge, his "never right." "I w he said, "because t were Victorians an and they went up smoke if anyone m Marx."

"During the Ko charged the Unite using germ warf years he was harre and had support h foundations, and Dato Lee Kong-chik millionaire, helped the Blue Funnel British vessels waters. The Camb city Press provided i Dr. Needham's i keeps growing—and which is minuscule.

Now retired fir goes home daily for with his wife. Dor chemist like her. I like him a member Society. When she turning World War to picnic with Chou husband wishes h along.

Two alabaster, statues of Saint Catherine and Saint Margaret each 30 centimeters high and matching the altar piece were also taken, as well as a 16th-century wood and stone statue of Our Lady of the Keys.

Art Objects Stolen From French Church

LE MANS, France, Aug. 3 (Reuters).—Three priceless statues and an altarpiece have been stolen from a cathedral near this northern French town, police said.

The 15th-century alabaster altar piece, with five panels, was discovered in the 19th century and placed in the Rosary Chapel of the Cathedral of Notre Dame des Miracles de la Ferté-Bernard.

Two alabaster, statues of Saint Catherine and Saint Margaret each 30 centimeters high and matching the altar piece were also taken, as well as a 16th-century wood and stone statue of Our Lady of the Keys.

THEATER IN MOSCOW

'Master and Margarita' May Signal Change

By Seth Mydans

MOSCOW (AP).—The most daring Soviet play in years appears to have weathered a high-level attack, and Soviet theatergoers predict that its success may lead to more experimental theater next season.

The production of "The Master and Margarita" by the Taganka company was the hit of the just-concluded theater season. The 650-seat hall was sold out so consistently that even director Yuri Lyubimov joked that he could not get a ticket.

The play, a staging of Russian writer Mikhail Bulgakov's once-banned 1938 novel, breaks with tradition and challenges the official arbiters of culture by satirizing Soviet Russia, employing religious symbolism and even bringing a nude on stage.

Observers held their breath for seven weeks as the government-controlled Soviet press was silent about the play.

Then at the end of May Pravda attacked, saying the production distorted the realities of today's Soviet life. The newspaper panned the play, using such words as "unjustified... subjective... vulgar... grotesque."

The newspaper said, "The time lapse between the Moscow scenes and today is not felt at all," implying that the Soviet Union has changed and liberalized since Stalin's day, when Bulgakov wrote.

But Pravda stopped short of demanding that the play be removed, and the production continued through the remainder of the season. The only change some players noted was that the nude, who sits center stage with her back to the audience, turned to offer a slightly more risqué view.

"The Master and Margarita" is now expected to be on the Taganka's repertoire for next season, although it will be removed.

Labor Dispute Continues at Metropolitan

NEW YORK, Aug. 2 (AP).—The Metropolitan Opera's orchestra, ballet, chorus, singers and stage managers are in what was called a "lay-off situation" because of a labor dispute.

The opera house has threatened to cancel the 1977-78 season if agreement with the orchestra does not come by Sept. 8.

"We have to let our principal singers and musicians know by then so they can make other plans," said Anthony Bliss, the opera's executive director.

Max Aron, president of Local 802 of the American Federation of Musicians, AFL-CIO, described the threat of season cancellation as a spite gesture against the union.

The opera has offered its various unions a 4 per cent raise in each of the next three years. Orchestra members, currently earning a base pay of \$420 to \$500 have demanded \$100 more a week and, on tour, an increase in expense allowances and a guaranteed work year of 44 weeks with eight weeks paid vacation.

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مكتبة لادن

German Deficit Payments Widens

Aug. 2 (AP-DJ).—The German government today announced that the preliminary 1977 deficit of 6.2 billion marks, or 3.8 billion dollars, was wider than the 5.8 billion marks deficit of 1976. The deficit was widened by a 1.4 billion mark surplus in the first half of the year, compared with a 1.2 billion mark deficit in the first half of 1976. The deficit was widened by a 1.4 billion mark surplus in the first half of the year, compared with a 1.2 billion mark deficit in the first half of 1976.

Trade Surplus
2 (AP-DJ).—Italy

Italy Makes First Oil Strike of the Shetland Isles

Aug. 2 (AP).—British-made the first strike in the Shetland Isles, the company has announced. The strike was made by a British-made ship, the *Shetland*, which was the first of a series of ships to be built in the Shetland Isles.

British Reserves Of Currency Hit Record in July

LONDON, Aug. 2 (AP).—The British Treasury announced today that the country's reserves of gold and foreign currency hit a record of \$134.2 billion. The reserves were up from \$131.7 billion in June.

The July increase was achieved without the help of any major loans from abroad, the Treasury said.

It is believed to be largely the result of heavy demand for sterling. Observers said it gave a clear idea of the extent of upward pressure on the pound, which was resisted by the authorities for most of July.

They added that it also shows why the Bank of England last Wednesday announced a change in exchange rate policy. The bank allowed the pound to rise against the dollar in line with the U.S. currency, which in recent weeks has weakened against major world currencies.

The pound jumped in London Wednesday from \$1.7199 to \$1.7395, its highest since last Sept. 16. The pound presently is at around \$1.7390.

The Treasury said the July figures included a \$205-million inflow from the sale of the United States' part of the British Petroleum. The figures also included loans totalling \$56 million raised by Britain's nationalized industries.

Financial sources said further increases in British reserves are expected in coming months. These will occur as the government draws \$500 million from a loan arranged with European banks, and the next installment of about \$350 million from a \$3.5 billion loan drawn up with the International Monetary Fund. Both these loans were arranged earlier this year.

July's increase is the sixth monthly rise this year.

French Housing Starts

PARIS, Aug. 2 (AP-DJ).—New housing starts in France over the first six months of this year totalled 243,000—a decline of 4.7 per cent from the year-ago period, according to the Equipment Ministry. In the private sector, however, new housing starts showed an increase of 4.4 per cent to 122,100 from 118,400 in the first half of 1976.



FIRST—A 1978 Ford Fairmont rolls off assembly line at plant at Claycomo, Mo., Monday. The Fairmont is the first 1978 American-made auto to be manufactured.

Appeal for Government Action

Japan Businessmen Say Slump Continues

By Eduardo Lachica

OSAKA, Japan, Aug. 2 (AP-DJ).—Japanese businessmen believe their country remains in a prolonged economic slump and point to a host of economic statistics to support their view.

Consumer and capital spending remain sluggish, and many believe that exports, which have been strong through the first half of 1977, are beginning to weaken. The number of bankruptcies reported between January and June rose more than 30 per cent from year-earlier levels. Unemployment remains about 2 per cent, high for Japan, and more than 1 million workers are jobless.

The important manufacturing and manufacturing index was only 3.6 per cent higher in June than it was a year ago and many analysts expect year-to-year corporate profits to drop for the sixth month period ending Sept. 30.

As a result, many businessmen are predicting that Japan's growth rate will not reach the government target of 6.7 per cent during the current fiscal year ending March 31. Mitsubishi Research Institute, for example, is predicting a growth of 5.5 per cent, less than the 5.8 per cent recorded last year. Other analysts think growth could be even slower than Mitsubishi is forecasting.

Seek Assistance
In an effort to get the economy rolling again, the business community is asking the government for urgent assistance. Toshio Doko, president of the Tokyo-based Federation of Economic Organizations, or Keidanren, and Kōsei Hyūga, president of the Kansai Economic Federation, or Keisei, recently asked Prime Minister Takeo Fukuda to boost public spending, lower the discount and interest rates and provide new tax incentives for plant investment.

For its part, the government remains convinced that the economy will hit the 6.7-per-cent growth target. Mr. Fukuda has told businessmen that by August "we should see some results" as public works spending, approved earlier in the year, begins to take hold.

Mr. Fukuda has been reluctant to accede to the businessmen's demands for fear he might fuel inflation. He is proud that consumer prices have fallen slightly in the past two months and are running about 8 per cent above year-earlier levels.

Should the government conclude, however, that additional stimuli are needed to meet the growth target, it may approve more public works spending. But analysts in Tokyo say parliament is not likely to approve tax cuts for businessmen and the Bank of Japan will be slow to approve cuts in the discount rate below its present 5-per-cent level.

Could Affect Others
Lower-than-expected growth could have serious implications for the rest of Asia and for other countries whose growth depends on a high level of Japanese imports. Japan, along with the United States and West Germany, are being thought of by leaders elsewhere as the three "locomotives" whose economies pull the rest of the world along. Part of the businessmen's plight reflects their own slowness in adjusting to Japan's shift from an economy growing at an annual rate of 10 per cent, as it usually did in the 1960s and early 1970s, to one growing at more moderate levels.

By the standards of other industrialized nations, anything over 5 per cent is considered respectable, but Japanese firms, which have very high fixed costs and which often depend on massive bank borrowings, often need higher growth than companies elsewhere to survive.

One of management's biggest concerns is over the continued sluggishness of capital spending for new plant capacity. The Mitsubishi Research Institute says growth of only 2.5 per cent this

Auto Output Rises in U.S.

DETROIT, Aug. 2 (AP-DJ).—U.S. car production rose 24 per cent in July from the year-earlier month as the industry continued to build 1977 models at a strong pace.

Though a start has been made on production of 1978 models, the industry plans to close most of its plants this month for retooling.

The four U.S. auto makers built 661,278 units last month, up from the 531,411 units built in the year-earlier period.

However, the industry missed by 13,000 units the 674,400 units industry sources said had been targeted at the start of July.

That was largely because production at a number of plants was curtailed several times during July as workers left their jobs because of hot weather. Also, American Motors Corp. extended its two-week vacation at its Leno assembly plant an additional week because of large inventories of unsold models.

Auto makers plan to build 811,100 cars in August, down 5.4 per cent from the 850,266 cars built last August.

World Shipping Continues to Gain Despite Crisis

PARIS, Aug. 2 (AP-DJ).—The world's merchant fleet maintained its steady growth last year, faster than in any year except 1976, in a continuing context of crisis and over-capacity in both the shipping and shipbuilding industries.

Between mid-1975 and mid-1976 the carrying capacity of the world fleet increased by 8.8 per cent to 388.8 million gross registered tons, and that for oil tankers by 12 per cent to 123 million tons, or 46 per cent of the total. In terms of deadweight tonnage the overall increase was 10 per cent to 603.4 million tons.

Member countries of the OECD accounted for 56 per cent of the world's merchant fleet at mid-1976 (57.7 per cent a year earlier), flag-of-convenience countries 27 per cent (26.1 per cent), Communist countries 7.5 per cent (unchanged) and others 9.5 per cent (8.7 per cent a year ago).

Of OECD members, Japan had by far the largest merchant fleet with 41.7 million tons at mid-1976, followed by Britain with 32.9 million, Norway 27.9 million, Greece 25 million and the United States with 13.3 million tons.

In its annual maritime transport report, the OECD notes that despite extensive scrapping, cancellations of new orders and the gloomy outlook for the fleet over the next year, the oil carrier surplus at the end of 1976 was still 60 to 70 million deadweight tons.

Swedish Prices Rise

STOCKHOLM, Aug. 2 (AP-DJ).—Sweden's consumer price index in June was up 2.2 per cent from May and up 12.3 per cent from the year ago period, the central bureau of statistics reported.

Wall St. Prices Fall Across Board

NEW YORK, Aug. 2 (AP-DJ).—Prices closed broadly lower on the New York Stock Exchange today. The Dow Jones industrial average fell 4.42 points to 887.39. It was off 3.90 at 3 p.m.

Declining issues outnumbered advances by about 985 to about 415. Volume totaled 17.91 million shares, almost equaling the 17.92 million shares traded yesterday.

Brokers said trading was restrained by the outlook for possible new credit tightening by the Federal Reserve. The Fed has signaled in the past two sessions that it has set a new average target rate of 5 3/4 per cent on key fed funds, up from 5 1/8 per cent last week. Some analysts believe the Fed may raise the target even further and will increase the discount rate to bring it more in line with the fund rate.

Brokers add that investors also have been put off by the market's sharp losses last week.

In the news background, Secretary of State Cyrus Vance reportedly ran into a snag in his mission to Egypt to set the scene for a new Mideast Geneva conference.

In the economic news, U.S. June factory orders rose 0.4 per cent from May on a big rise in orders for non-durables, but the stock market showed almost no reaction to the news.

Steel stocks fell. Actively-traded Bethlehem Steel lost 7 7/8 to 32 5/8. U.S. Steel 1 1/8 to 34 7/8 and Kaiser Steel 1 1/4 to 23 5/8.

Company Reports

Revenue, Profits in Millions of Dollars			
	1977	1976	
Emerson Electric			
Third Quarter	1977	1976	
Revenue	476.5	395.4	
Profits	37.5	31.0	
Per Share	0.65	0.54	
Nine Months			
Revenue	1,337.0	1,127.8	
Profits	105.9	88.6	
Per Share	1.84	1.54	
Foster Wheeler			
Second Quarter	1977	1976	
Revenue	398.2	257.8	
Profits	6.4	5.6	
Per Share	0.78	0.71	
Six Months			
Revenue	576.4	490.0	
Profits	11.9	10.0	
Per Share	1.47	1.29	
Kerr-McGee			
Second Quarter	1977	1976	
Revenue	610.4	531.6	
Profits	41.1	39.4	
Per Share	1.59	1.52	
Six Months			
Revenue	1,108.8	965.2	
Profits	66.4	66.2	
Per Share	2.57	2.56	

A strike shut down iron ore production in northern Michigan and Minnesota yesterday.

St. Joe Minerals dropped 1 to 30 1/8. The company said Voeest-Alpine AG exercised an option to buy 80 per cent of three St. Joe coal mining units for \$33.3 million.

Frigitronics gave up 1 3/4 to 11. The company said House of

Vision directors took no action on Frigitronics' acquisition offer of \$8.25 a share cash, or \$9.25 in stock, and the offer has expired.

Pencor rose 1 1/8 to 16 1/8 and Maremont tacked on 1/4 to 13 3/8. Pencor said holders of over 42 per cent of its shares may not tender them in response to Maremont's offer of \$16.75 each.

NYSE Outlines Its Project For National Stock System

WASHINGTON, Aug. 2 (Reuters).—The New York Stock Exchange has outlined a national market system plan that centers on a system of competing qualified market-makers electronically linked to provide open access among all markets for listed securities.

The exchange also urged that until the key elements of a national market system that would protect the public interest are in place, the present off-board trading rules should be retained.

NYSE chairman William E. Batten, at Securities and Exchange Commission hearings on off-board trading rules, said the plan was aimed at protecting public investors while meeting the congressional mandate to maximize competition in the securities industry.

Executive vice-president-operations Robert Hall said all qualified market-makers would be subject to minimum trading regulations, but that each market center could impose higher standards on its own qualified market-makers.

Information Available

Mr. Hall said market information such as limit orders held by qualified market-makers, firm quotations with size, and last-sale data would be available through the system.

Under the plan, qualified market-makers would be permitted to trade with investors other than professionals only at a better price to the investor than that displayed on the composite quotation system at the time of trade.

Broker-dealers who did not choose to qualify as market-makers would be required to take customers' orders to a market center for execution.

The market linkage system, consolidated tape, composite quote system, national clearance and settlement system and a full regulatory and self-regulatory scheme would be integrated in a manner designed to enhance competition, Mr. Hall added.

Mr. Batten said the plan could be implemented by using existing

technology at a relatively small capital cost. "It would lead to the creation of a national market system that can develop and evolve over time as economic and technological developments and market forces may require," he said.

Against Repeal

Mr. Batten urged the SEC to consider the proposed elimination of off-board trading rules as part of a "much larger national issue, the development of a national market system."

He cautioned that the proposed repeal of off-board trading rules "has sweeping implications for the entire securities industry" and that "in the sincere opinion of many, the rules should not be repealed."

Goods Orders Gain in U.S.

WASHINGTON, Aug. 2 (Reuters).—New orders received by U.S. manufacturers rose \$447 million, or 0.4 per cent in June, to a seasonally adjusted \$12.14 billion, the Commerce Department reported today.

The increase compared to a \$146-million, or 0.1 per cent, rise for May. Inventories, meanwhile, gained \$874 million, or 0.5 per cent, to \$173.5 billion, compared to a \$1.88-billion increase for May.

Shipments rose \$1.53 billion, or 1.4 per cent, to \$110.39 billion after a \$182-million drop for May.

The Commerce Department said new orders for durable goods fell by \$400 million, due primarily to a \$1-billion, or 11 per cent, drop in orders for primary metals. Orders for steel and steel mill products were off \$1.1 billion after a \$1.2-billion rise in May.

New orders were up 1.7 per cent in the non-durable goods sector after a 0.7-per-cent slip in May.

CANADA PERMANENT MORTGAGE CORPORATION

and its subsidiary

CANADA PERMANENT TRUST COMPANY

Report for the six months ended 30 June 1977

Net operating income for the six months ended June 30 1977 was Can. \$3.5-million, 15% above earnings for the comparable period last year. The Company benefited from a further prime rate reduction in May as well as additional earnings arising from full investment of the proceeds of a tax deferred preferred issue finalised in February.

Net real estate commissions improved during the quarter, although income from estate and personal trusts remained at approximately the same level in comparison with the second quarter last year. Total assets exceed \$3.5 billion, 19% ahead of the amount one year ago.

	Unaudited Six months ended 30 June		
	1977	1976	Increase
CONSOLIDATED OPERATIONS			
Revenue	Can. \$'000's 186,080	Can. \$'000's 151,890	23
Net operating income before income taxes	12,796	10,364	23
Net earnings	8,506	7,369	15
Net earnings available per common share	1.09	1.04	
CONSOLIDATED ASSETS AND LIABILITIES			
	1977	1976	
	\$'000's	\$'000's	
Assets			
Mortgages	2,727,784	2,311,449	18
Securities	406,250	314,886	29
All other assets	416,761	362,030	15
Total assets	\$3,550,795	\$2,988,365	19
Liabilities and equity			
Deposits and customer borrowings	\$3,313,968	\$2,799,477	18
Other liabilities	80,360	70,490	14
Shareholders' equity	156,467	118,398	32
Total liabilities and equity	\$3,550,795	\$2,988,365	19

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Copies of Canada Permanent Mortgage Corporation's interim Report for the six months ended 30 June 1977 and of the 1976 Annual Report may be obtained from Canada Permanent's London office, Canada Permanent AFI Limited, 1, 2 Finsbury Square, London EC2A 1AD.

Journal of Management Education 36(7)>

New Japan Securities International Inc.

مجلسه اول

Sis.	Chge	— 1977 —	Stocks and	Sis.	Chge	— 1977 —	Stocks and	Sis.
P/E 100s.	High Low	Quot.	Close	High Low	Quot.	Close	High Low	Quot.
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100s.	High	Low	Quot.	Close	100s.	High	Low	Quot.

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GLOOM—Cincinnati manager in dejection in the dugout.

United Press International.

3.62? Reuschel, Chl. 15-8, 89.
Candelaria, Psh. 11-4, 753, 232,
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er, 13-8, 123, 576? Carlson, Phil.,
10-9, 305; Sacker, Chl. 10-8, .667.

FRICKOUTS—Nevada, Atl. 150; Re-
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McIntosh, N.Y., 190. Steyer, Can. 123,

FRICKOUTS—Texas, Atl. 150; Re-
nana, Cal. 175; Richardson, R.C.C.,
Bilbovick, Texas, 150; Palmer, Seim,

John, Forster (4), Théniz (7), Gossage (8) and Ott; Lemongello (412) and Herrmann. L-Gossage (8-7). HR-Crur (12).

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Renko, Roberts (4), P. Feusche (7), Sutter (7), Broberg (6) and Swisher;

Hunter (6-6) and Mun-on's Bros (8-6)
and Humphrey.
Hallmore - 101 101 021-5 7 7
Oakland - 100 100 011-1 9 9
R. May Drago (9) and Stages, Cole-
man, Lutz (7), Bair (3) and Newman.
W-R May (12-5). L. Newman (12-2).
EE-Garcia (1), Mora (1).

here. Last year he came to Saratoga with his father and rode two horses on one program. Both were long shots, and both finished far back.

But Lenny Goodman was impressed enough with the apprentice to tell his father that he would be the youth's agent if



GLOOM—Cincinnati manager Sparky Anderson is a study in dejection in the dugout during team loss recently.

United Press International.

[illegible][illegible]

Baker

To test the theory, Klosson proposed putting in a pair of shoes. If the washing machine took one of the shoes, he reasoned, scientists could verify his theory by monitoring the airport to see whether a renegade wash-

And so the mystery remains. Only the great Aptheker could possibly solve it, and he has no time, having dedicated the rest of his life to discovering what-ever happened to tattle-tale Gray.

Trouble With Patricia Highsmith: No Label

For the past 10 years she's lived in the village of Moncourt, near Fontainebleau, in a whitewashed house with a large untidy garden on the bank of the Loing Canal.

She was born in Texas and grew up in New York City, but she prefers the country. "I can't stand lots of people around." She shares this quiet life with two rather demanding Siamese cats.

Patricia Highsmith

Alexander Solzhenitsyn, she says, "is like a journalist hammering a point. We've all got the message now that the Russian regime is suppressing everything. Some of his characters in 'Cancer Ward' have the solidity of Tolstol's characters. I wish he'd loosen up a bit.

"Saul Bellow is the best living writer. Bellow is interested

George V

grandfather when
United States.

French actor Jean-Paul Belmondo said that unsettling as was his experience with a tigress named Amoc over the weekend, he is going to try again to film

he is going to try again to make a comedy sequence for the movie, "The Animal." In the scene, Belmondo is supposed to knock out the tigress with a single blow, but when he tried it the first time, an irritated Amoc turned on him, embraced him and lightly bit his right ear lobe. Belmondo—though he said after the incident that he probably wouldn't remake the scene himself—is keeping up his tradition of refusing to be replaced by stuntmen.

The new minister of the Baptist Church in Congaree, S.C. is having the usual trouble with people who meet him for the first time. They can't get over the fact that his name is God. The Rev. James God has to explain every time that his surname is authentic. One that was longer in its original German but shortened by his

Steven Clark B. of Nelson Rocked Clark Rockefeller Saturday to Dor a family spok day. Rockefeller in 1959 when he Marie Rasmussen who had worked feller household couple were late new Mrs. Rockefeller married. holds a master o from Union Theo She teaches at versity of New burgh and he tisbury College in wedding took pl the Rockefeller tico Hills, N.Y. money was att and a few friends

Philippine President Marcos's plan to run into pre-plant like a good President announced that every Filipino must plant five trees for five years. The plan is now set to where, for its million people plant them. A Manila newspaper very few Manila backyards and dwellers with no to spare for its 50 million of five would plant 300 trees. The failure to a fine or loss rights.

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